

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JANUARY 25, 1934

**A**LL characteristics of a company that appeal to agents are found in THE EUREKA-SECURITY FIRE & MARINE, Ohio's oldest stock fire company and one of the real old fire companies of this country. Age, strength, proven ability, friendliness, conservatism, sincere management, financial stability, integrity, agents' loyalty, intelligent claim policies, and progressiveness are features that have appealed to our agents for sixty-nine years. Are you interested in such a company?



THE  
**EUREKA-SECURITY**  
FIRE & MARINE INSURANCE CO.

*Established 1864*  
CINCINNATI, OHIO

**LARGE ENOUGH**  
*To write lines liberally*

**SMALL ENOUGH**  
*To give individual attention*

**YOUNG ENOUGH**  
*To grow by giving service*

**OLD ENOUGH**  
*To have profited by experience*

# *Always Worth Par*



## When Misfortune Strikes

**E**NCOURAGED by sounder hopes of business improvement, agents and companies may step forward during 1934 with old-time courage and confidence.

The Agent, most valuable to his community, realizes the assured relies upon him to arrange necessary protection and, more important, to place his insurance in companies of proven strength and character.

The Strength, Permanence and Stability inherent in the character and financial structure of Fireman's Fund companies are agency assets of real value.

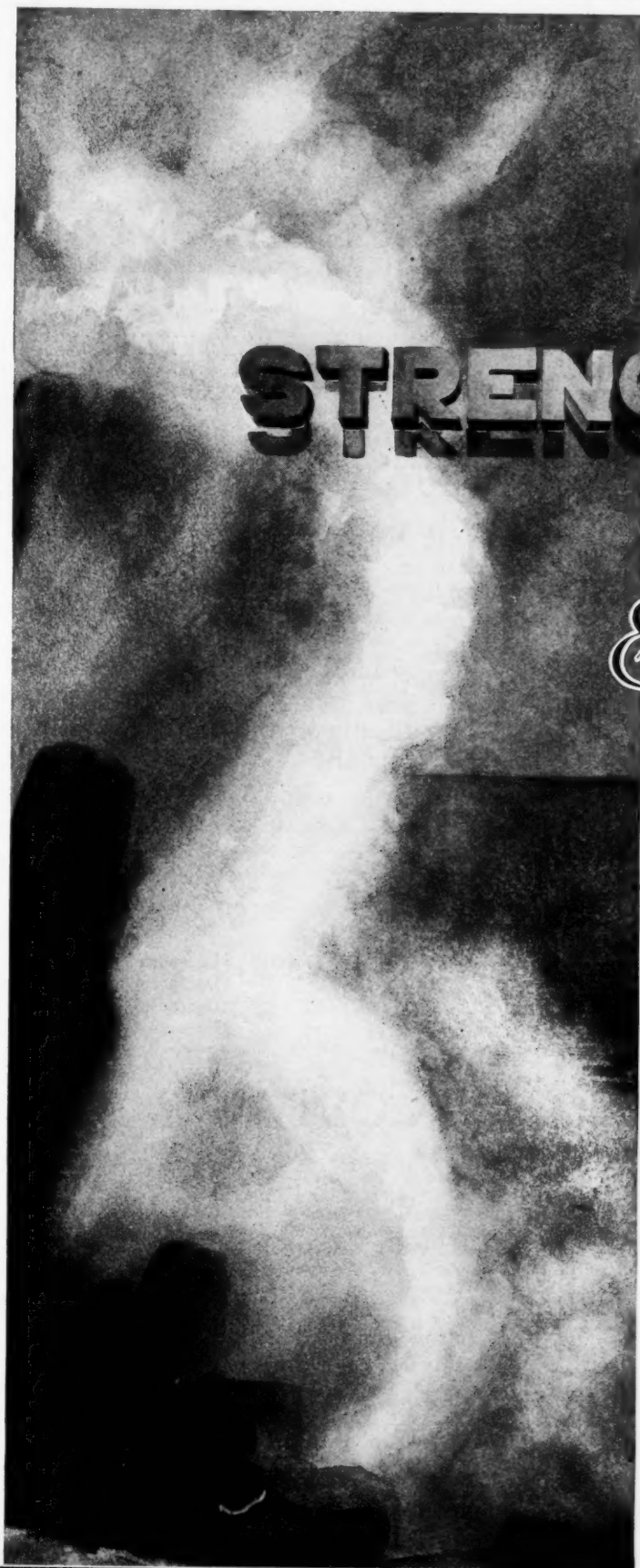
The agent who represents a company of the Fireman's Fund Group can sell with unbounded confidence and assurance, knowing that the policies of any of these companies are always worth par when misfortune strikes.

*Fire · Automobile · Marine · Casualty · Fidelity · Surety*

# **FIREMAN'S FUND GROUP**

*Fireman's Fund Insurance Company ~ Occidental Insurance Company*  
*Home Fire & Marine Insurance Company*  
*Fireman's Fund Indemnity Company ~ Occidental Indemnity Company*

New York · Chicago · SAN FRANCISCO · Boston · Atlanta



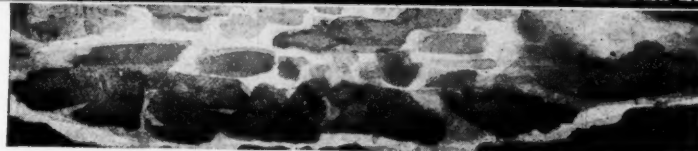
# STRENGTH

*Enduring  
as the tides*

Strength in an insurance company must be enduring to deserve confidence from the insuring public. For generations the strength of the Royal-Liverpool Groups has rebuilt as the elements have torn down. Throughout the seven seas—as enduring as the tides—that same strength will maintain. To the agent it means security—prompt service to his clients, entree, acceptance, salability!

**The ROYAL-LIVERPOOL GROUPS**

**ONE HUNDRED AND FIFTY WILLIAM STREET, NEW YORK CITY**





**SIXTY-NINTH ANNUAL STATEMENT**

As Made to Directors and Stockholders

DECEMBER 31, 1933

**ST. PAUL FIRE AND MARINE INSURANCE COMPANY**

ST. PAUL, MINNESOTA

| ASSETS                                  |                        | LIABILITIES                            |                             |
|---|------------------------|--|-----------------------------|
| Bonds (at Market Value Dec. 31st)       | \$15,552,159.42        | Reserve for Unearned Premiums          | \$ 9,061,532.76             |
| Stocks (at Market Value Dec. 31st)      | 4,570,624.38           | Unadjusted Losses                      | 1,782,370.76                |
| Home Office and Other Real Estate       | 1,247,003.54           | Reserve for Taxes                      | 495,000.00                  |
| Mortgage Loans                          | 1,972,014.62           | Reserve for Unpaid Bills, etc.         | 122,415.13                  |
| Cash and Bank Deposits                  | 1,410,382.15           | Special Reserve                        | 316,918.08                  |
| Agents' Balances                        | 1,725,279.42           | Reserve for Adjustment Expense         | 80,000.00                   |
| Due from Re-insurance Co.'s Notes, etc. | 286,800.21             | Funds held under Re-insurance Treaties | 211,523.74                  |
| Accrued Interest                        | 237,449.87             | Capital Stock                          | \$ 4,000,000.00             |
|   |                        | Net Surplus                            | 10,931,953.14 14,931,953.14 |
|   | <b>\$27,001,713.61</b> |  | <b>\$27,001,713.61</b>      |

This statement shows condition based on market values, December 31, 1933. The stocks of Insurance Companies owned by "St. Paul" are carried at book value, based on market valuations.

**Underwriting and Investment Statement**

|                         |                       |                                   |                       |
|-------------------------|-----------------------|-----------------------------------|-----------------------|
| Interest on Investments | \$1,234,067.36        | Reserve for Income Tax            | \$ 235,000.00         |
| Underwriting—Net Profit | 1,486,891.71          | Dividends Paid                    | 960,000.00            |
|                         |                       | Depreciation in Market Values and |                       |
|                         |                       | Loss on Sales                     | 1,366,140.94          |
|                         |                       | Added to Conflagration Reserve    | 75,000.00             |
|                         |                       | Increase in Surplus               | 84,818.13             |
|                         | <b>\$2,720,959.07</b> |                                   | <b>\$2,720,959.07</b> |

The underwriting experience is satisfactory for the eighth successive year. The above surplus is retained after charging off over \$8,880,000.00 in security values during last six years.

**COMPARISON WITH LAST YEAR**

|                           | 1932            | 1933            |          |              |
|---------------------------|-----------------|-----------------|----------|--------------|
| Net Premiums Written      | \$11,523,461.30 | \$10,977,091.67 | Decrease | \$546,369.63 |
| Unearned Premiums         | 9,892,118.33    | 9,061,532.76    | Decrease | 830,585.57   |
| Assets                    | 27,500,819.38   | 27,001,713.61   | Decrease | 499,105.77   |
| Capital Stock and Surplus | 14,847,135.01   | 14,931,953.14   | Increase | 84,818.13    |

**MERCURY INSURANCE COMPANY**

ST. PAUL, MINNESOTA

| ASSETS                             |                       | LIABILITIES                    |                           |
|------------------------------------|-----------------------|--------------------------------|---------------------------|
| Bonds (at Market Value Dec. 31st)  | \$3,072,825.00        | Reserve for Unearned Premiums  | \$1,488,871.59            |
| Stocks (at Market Value Dec. 31st) | 6,900.00              | Unadjusted Losses              | 191,536.10                |
| Real Estate                        | 6,100.00              | Reserve for Taxes              | 45,000.00                 |
| Mortgage Loans                     | 297,150.00            | Reserve for Unpaid Bills, etc. | 12,500.00                 |
| Cash and Bank Deposits             | 209,269.98            | Special Reserve                | 5,000.00                  |
| Agents' Balances                   | 203,983.11            | Reserve for Loss Expense       | 12,500.00                 |
| Due from Re-ins. Co.'s Notes, etc. | 8,430.30              | Funds Held Under Treaties      | 5,147.96                  |
| Accrued Interest                   | 42,393.52             | Capital Stock                  | \$1,000,000.00            |
|                                    |                       | Surplus                        | 1,086,496.26 2,086,496.26 |
|                                    | <b>\$3,847,051.91</b> |                                | <b>\$3,847,051.91</b>     |

Securities Valued at Market Values Dec. 31, 1933

**Underwriting and Investment Statement**

|                         |                     |   |                     |
|-------------------------|---------------------|---|---------------------|
| Interest on Investments | \$202,140.96        | Dividends Paid                                  | \$ 90,000.00        |
| Underwriting—Net Profit | 297,559.23          | Reserve for Income Tax                          | 11,000.00           |
|                         |                     | Depreciation in Market Values and Loss on Sales | 284,435.08          |
|                         |                     | Increase in Surplus                             | 114,265.11          |
|                         | <b>\$499,700.19</b> |   | <b>\$499,700.19</b> |

**COMPARISON WITH LAST YEAR**

|                           | 1932           | 1933           |          |              |
|---------------------------|----------------|----------------|----------|--------------|
| Net Premiums              | \$1,654,620.08 | \$1,588,625.98 | Decrease | \$ 65,994.10 |
| Unearned Premiums         | 1,550,468.99   | 1,488,871.59   | Decrease | 61,597.40    |
| Assets                    | 3,833,429.03   | 3,847,051.91   | Increase | 13,622.88    |
| Capital Stock and Surplus | 1,972,231.15   | 2,086,496.26   | Increase | 114,265.11   |



# The National Underwriter

Thirty-Eighth Year—No. 4

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 25, 1934

\$4.00 Per Year, 20 Cents a Copy

## Answer Given to Critics of Code

Wolff Replies to Statement Small Town Agents Dictated Filing

### BIG AGENTS INTERESTED

Provisions Represent Composite of Grievances and Desires of Producers Throughout Country

NEW YORK, Jan. 24.—A probability which is anticipated by some leaders is that the producers code will be turned down by the NRA authorities, in which event eleven separate codes will be filed. Among those codes would be one each for the fire, life, marine and casualty companies, one each by three types of mutual companies, and one each by the agents and brokers.

The theory, which has been advanced by certain critics of the insurance code, that the National Association of Insurance Agents is dominated by the small town producer and hence the code, as filed, represents the small town viewpoint, was disputed by Allan I. Wolff, president of the National Association of Insurance Agents, in addressing the Chicago Insurance Agents Association at a luncheon meeting Tuesday.

Mr. Wolff named the cities, of which members of the executive committee of the National Association of Insurance Agents are residents, to disprove that the organization has predominant small town complexion. The executive committeemen come from New York, Pittsburgh, San Diego, Los Angeles, Greensburg, Pa., Chicago, Fall River, Mass., Buffalo, Gainesville, Ga., and Richmond, Va.

Mr. Wolff said there is no group in the country more vitally supporting the code than the New York agents. The Philadelphia agents also favor the code and the Pennsylvania agents, at a meeting in Harrisburg recently, endorsed the code, he reported.

### Benefits Are Cited

Mr. Wolff expressed the belief the big city agent obtains more benefits because of the organized efforts of small town agents than do the small town agents because of the influence of the big city agents. For instance, he expressed the belief that branch office competition would be much more severe and it would be more greatly extended were it not for the fact that those companies which favor the extension of the branch office system hesitate to proceed because of the reaction of the small city agent.

The objection is raised by some that the filing of the code will lead to washing the dirty linen of insurance in public. He said he hoped this would not

(CONTINUED ON PAGE 12)

## London Lloyds Is Hard to Beat as Insurance Market

The current agitation in connection with the activities of London Lloyds in the blanket bond field is being followed intently by reinsurance people. Although the competition of Lloyds in the direct writing field is the cause of the present agitation, the real revenue that Lloyds enjoys from this country goes through the channels of reinsurance. For instance, a reinsurance executive who has studied the situation, reports that fire companies reporting to the New York department paid \$6,960,000 to Lloyds in 1932.

There is considerable resentment in some reinsurance quarters over the amount of money that goes to Lloyds, but those who express the resentment are not able to suggest a feasible method for competing with the London market. Some of the reinsurance people feel that the direct companies, instead of patronizing Lloyds directly, should pass their business to reinsurance companies and permit them to retrocede to London. In that way a second strata of premium would be retained here. One suggestion, apparently inspired by the spectacle of the United States government engaging in every conceivable activity and lading out funds to all comers, is that a federal fund be created out of which the catastrophe losses of member insurance companies would be paid.

### Reinsurers Themselves Must Use London Market

An ironic fact is that some of the reinsurers who see red when they reflect on the income of London Lloyds from this country, are compelled to use the London market for retrocessions on individual lines and for their own catastrophe covers.

Occasionally the proposal is broached that a pool be formed in this country for handling catastrophe covers or inland marine reinsurance but the plans have never gone beyond the conversational stage.

The principal difficulty in the way of developing a domestic catastrophe reinsurance market is what might be termed the inability to make a book. Theoretically at least, in order to assume tremendous concentrations of liability the underwriters must have a spread of operations over many countries. That is they should have catastrophe risks, in large numbers, from various parts of the world, so that their portfolio will be as representative, as matched and as distributed, for instance as the business under a group of second excess treaties.

Lloyds on the other hand is assuming liability and getting revenue from all over the world, not only in fire insurance but in casualty, surety, and life and the catastrophe risk is more easily absorbed.

Obviously a direct writing company that operates only in this country would be violating insurance theory to assume catastrophe liability from other companies in American cities, for in the event of a conflagration, that company would have its own direct losses plus catastrophe losses of other companies.

And their revenue presumably from catastrophe covers applying only to cities in the United States would not be great enough over a period of years to compensate for a stiff loss. The reinsurance companies in this country are in no better position to handle catastrophe covers, for in a conflagration they would suffer losses under treaties and facultative commitments as well as under the catastrophe cover.

Another consideration is the various state laws which restrict the amount of liability a company may assume on any one risk to a percentage of its surplus to policyholders. That would hamstring any individual domestic company that might decide to branch out into the catastrophe field.

There is, of course, the possibility of United States companies undertaking to make a book of catastrophe covers by competing for world business, but the possibility is remote.

### Can't Compete With Lloyds in Inland Marine Lines

Another important field in which American reinsurance companies are not able to compete effectively with London Lloyds is inland marine reinsurance. Very little of this business goes to reinsurance companies. Again the London market is patronized because of the concentration of values that are involved in many of the inland marine lines such as fine arts, jewelry policies and bridges. Incidentally the report is that London Lloyds has assumed practically one-third of the insurance on the projected San Francisco-Oakland bridge.

In addition to the reinsurance income which Lloyds enjoys through catastrophe covers, retrocessions from reinsurance companies, inland marine reinsurance, there are the excess of loss covers which a number of the companies carry

(CONTINUED ON PAGE 20)

## Canadian Fire Loss Is Given for the Last Year

The fire loss in all the provinces of Canada last year amounted to \$36,068,425 as compared with \$38,955,565 in 1932, \$42,373,284 in 1931, \$42,438,390 in 1930 and \$38,862,500 in 1929. The losses in the provinces last year were as follows: Alberta, \$971,025; British Columbia, \$1,217,100; Manitoba, \$520,300; New Brunswick, \$2,518,300; Nova Scotia, \$2,498,800; Ontario, \$8,651,600; Prince Edward Island, \$199,500; Quebec, \$6,437,650; Saskatchewan, \$1,054,150. Then there is an estimate made of \$12,000,000 for unreported losses.

The hail premiums in Saskatchewan, Alberta and Manitoba were \$404,375 as compared with \$855,361 in 1932; \$531,609, 1931; \$2,956,389 in 1930, and \$3,709,197 in 1929. The 1933 total is little more than 10 percent of 1929. The loss ratio was 51.42 percent last year with 35.67 in 1932; 80.99 in 1931; 89.68 in 1930, and 28.02 in 1929.

## National Board Is Considering Rule

Members in Special Session Take Up 60 Day Loss Payment Regulation

### SOME URGE ITS REPEAL

Deferring of Payments Credited with Having Relieved Pressure from Production Departments

NEW YORK, Jan. 24.—Members of the National Board will meet in special session here tomorrow to consider the deferred loss payment recommendation made by the executive committee last March and subsequently amended by that body. In view of the great interest attaching to the subject a wide attendance of company officials is assured.

The session will be a closed one, so that members may freely express views without fear of being quoted outside. The "rule," which is not a rule but rather a recommendation of the board, which has been pretty generally observed, however, stipulates that payment of all losses in excess of \$100 each be deferred 60 days after adjustment of claims. It applies both to fire and automobile losses. The limitation of immediate payment was subsequently increased to \$500 per claim; a concession that takes care of perhaps 90 percent of all losses.

### Applied in Time of Chaos

When the recommendation was adopted almost a year ago, the bank moratorium had recently become effective, the financial situation was chaotic and collection of premiums by insurance companies was virtually at a standstill. Because of this condition and largely through fear that uncertainty as to what the future had in store would cause a sharp increase in moral hazard, it was believed that postponement of claim payments would act as a deterrent to unfriendly fires.

The extent to which enforcement of the provision has been responsible for the substantial reduction in the amount of losses during the last eight months of 1933, is a question. Some company officials hold that it has been a positive factor; others disagree, maintaining that the reduction was a natural accompaniment of the drop in premium income.

Agents in many centers, acting either individually or through local boards or state associations, have been writing the companies urging liberalization of the regulation, declaring that its enforcement was being used by mutuals to the competitive disadvantage of stock offices.

Last December the executive committee of the National Board considered various suggested modifications of the rule, among others that the allowable

(CONTINUED ON PAGE 12)

# Life Department Advantages to Local Agency

By Albert Dodge

When writing this article I could not help but wonder what your readers would say if the subject was "Has a Casualty Department a Place in a Local Agency?" Yet it was only a comparatively short time ago that this subject was quite a question in the minds of most agents who conducted a strictly fire insurance agency. Now and then you still find some of the old school of dyed-in-the-wool fire insurance agents who still believe that a fire insurance agency should tend strictly to the business of writing fire insurance only. However, in nearly every local agency of any size the casualty department contributes a large proportion to their premium income.

In my opinion, development of a life insurance department is even more important than was the development of a casualty department. The general public in the past few years have become more familiar with the benefits of life insurance not only from the standpoint of the benefits in the event of death but as a means to provide a cash reserve to tide over emergencies and to systematically build up an annuity to take care of them during the sunset days of life, so the public now considers their life insurance as a necessary line to carry.

## Leaving the Door Open to All-Round Competitor

It is the duty of every local agent to supply the insurance needs of his clientele and if he is not equipped to supply the life insurance needs he leaves the door open for another agent not only to write the life insurance necessary but to secure other lines of insurance which were formerly carried by the agent specializing only in fire and casualty business.

In order to properly cover the life insurance needs of the client it is necessary to discuss with him many things of a very personal nature. For example, his plans for the education of his children, the amount of monthly income he wishes to leave for his family, etc. The result of this type of interview is to bring the salesman very close to the buyer and if this salesman is the local agent who handles this client's other lines he makes those lines more secure for his office.

When a local agency decides to organize a life department, the manner in which such department is organized is of the utmost importance and I think that where such departments have failed the fault lies with the method of organization.

## Must Have Specialist as the Life Manager

It is not sufficient to merely make a contract with the company and then call the agency force together, hand them a rate book and state that you are now ready to write life insurance and then depend upon the individual members of the agency force to carry on without supervision and cooperation. In fact, you can expect very little production of life insurance through your present agency force, for they are too deeply engrossed in the lines they have been writing to be converted to really aggressive life insurance selling.

The first and most important step is that of selecting the man who is to manage the department, for on his shoulders will rest the responsibility of its success. He should be a man of high standing in the community who has been thoroughly trained not only in the selling of life insurance but in the organization side of the business. He should be a good personal producer, but it is even more important that he be a good organizer. His first job is to select the company which you are to represent and then to bring into your organization new men



ALBERT DODGE

Albert Dodge of Buffalo is a member of the executive committee of the National Association of Insurance Agents, and of the executive committee of the New York State Association of Local Agents. He is also national councillor of the New York state association.

whom he will train in the sale of life insurance policies. He should be of a personality that will inspire the confidence of his agency force and who can encourage them to greater efforts.

The new men that he brings into your organization will be taught that their main duty is that of writing life insurance and that the production of other lines is of secondary importance. This plan serves a two-fold purpose. It results in your life insurance department getting under way much quicker than if you tried to change your fire and casualty men into life men and your office soon takes on an atmosphere of life insurance. It also arouses the interest of your fire and casualty men much quicker by seeing the actual production of life insurance in the same office. Heads of the local agency should give to the manager of their life department all possible aid and assistance in the selection of new men and use their influence with their own clients to assist the manager

## Scrap 60-Day Loss Rule, Says Alabama President

BIRMINGHAM, ALA., Jan. 24.—Alabama fire and casualty agents want no more of the 60-day loss payment rule and are asked to bring pressure on the companies for its abrogation in letters sent out to members of the Alabama Association of Insurance Agents by President W. W. Croom. Not just modification but complete scrapping of the rule is urged.

"All of you are familiar with the unfairness and hardships which have been wrought through the operation of the fire insurance companies' 60-day loss payment rule," writes President Croom in his communication to the agents. "Every day the rule continues in effect more and more enemies are being made for the institution of stock fire insurance.

### Agents Are Aroused

"Agents country-wide are aroused to such an extent that company executives have become alarmed, and a special meeting of the National Board has been called for Jan. 25. We are informed that certain companies have already 'jumped the traces' and are now paying their losses promptly. It is presumed that the National Board will consider further modification of the rule, but we don't want it modified. We want it abrogated, withdrawn and thrown in the junk pile.

"The way to bring this about is to exert extreme pressure on the companies which we represent, practically all of whom will be at the Jan. 25 meeting. We want you to immediately communicate with each of the companies and tell them in unmistakable language that we want no more of the 60-day rule."

to take care of their life insurance needs.

The department does a great deal to keep the sales force on their toes as the manager of the department is constantly urging his force to greater activity through the use of campaigns, contests, weekly meetings, etc., and it is interesting to note that whenever a life insurance contest is in progress in a local agency there is also a noticeable increase in the production of fire and casualty lines. This fact in itself shows that the department is not only valuable from the standpoint of profit but that it benefits all departments in the local agency.

Another advantage of having a life department is that the business placed on the books is of a more permanent nature than is that of any other line. The lapse ratio in a well managed office is exceedingly low and the large per-

(CONTINUED ON PAGE 13)

## Joint Agreement Now Operative

Twenty-one States Have Adopted the Nation Wide Marine

### Definition

## IMPORTANT STEP TAKEN

Bulletin Has Been Promulgated to Signatories and the Insurance Commissioners Convention

NEW YORK, Jan. 24.—Twenty-one states and the District of Columbia having adopted the nation-wide definition and interpretation of marine underwriting powers approved by the Insurance Commissioners Convention in June, the joint committee on interpretation and complaint provided for in the articles of agreement has organized and this week issued a bulletin declaring the agreement operative, effective, and binding upon those subscribing to it in the territories named. The action is regarded as one of the most important steps toward nation-wide self-regulation taken in the history of the business.

### States in the Agreement

The 21 states are Arkansas, California, Connecticut, Delaware, Idaho, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York, North Carolina, North Dakota, Rhode Island, Vermont, Washington, West Virginia, and Wyoming.

The bulletin, which is largely in the form of a resolution, states further that "outstanding policies in conflict with the nation-wide definition and interpretation of the insuring powers of marine and transportation underwriters shall be terminated as of such dates as have been or may be prescribed by the respective states unless an earlier date shall be prescribed by the committee."

### Commissioners to Be Notified

It also instructed the secretary to forward a copy of the resolution to the committee on definition and interpretation of underwriting powers of the Commissioners Convention and to the various insurance commissioners, as well as to those subscribing to the articles among the fire, marine and casualty insurers.

The bulletin, sent out by Executive Secretary R. T. Marshall, also called attention to the fact that "all subscribers to the agreement should make careful note that the agreement is now in force as regards transactions in the states listed in the resolution." As additional states approve and make effective the nation-wide definition and interpretation, subscribers will be kept advised thereof.

The joint committee's function will be to iron out conflicts to the satisfaction of fire, marine and casualty interests. Its decisions will be final, except for appeal to a special committee of the Commissioners Convention, consisting of Superintendent Van Schaick of New York, Commissioners Dunham of Connecticut and McClain of Indiana.

### Launch "Mutual Review"

The "Mutual Review," a publication national in scope, fostered by the newly organized Ohio Association of Mutual Insurance Agents, made its appearance at Columbus this week. It carries considerable advertising of mutual companies and agencies.

## THE WEEK IN INSURANCE

Question of repeal, modification or retention of 60-day loss payment rule considered in special session of National Board members. **Page 3**

Agents position on code explained by A. I. Wolf and E. J. Cole. **Page 3**

Proposals as to changes in automobile manual of National Automobile Underwriters Association go to regional conference committees for consideration. **Page 5**

E. M. Ackerman, secretary Illinois Insurance Federation and executive secretary of the Illinois Association of Insurance Agents, goes to Louisville as associate editor of the "Insurance Field." **Page 13**

W. L. McLelland, secretary of the Detroit Fire & Marine, has now become vice-president and secretary of the American National of Columbus. **Page 6**

Final draft of West Virginia standard automobile public liability and property damage policy omits previous provision for automatic cancellation for failure to pay the premium. **Page 32**

Inasmuch as 21 states and the District of Columbia have adopted the nation-wide definition and interpretation of marine underwriting powers, the joint committee has declared the agreement operative. **Page 4**

Commissioner Sullivan and several prominent insurance men on program for annual meeting of Fire Underwriters Association of the Pacific. **Page 9**

Many barren points are found in the field of suretyship, with few production opportunities in sight. **Page 31**

Self-Insurers Association of New York City attacks proposed occupational disease amendment to the New York workmen's compensation law. **Page 31**

New York insurance broker presents program to improve public liability conditions in retail department stores. **Page 33**

National Bureau of Casualty & Surety Underwriters calls meetings of agents and general agents to discuss plan it has devised for compensation insurance. **Page 31**



## Proposals Ready on Auto Manual

Go to Regional Conference Committees for Further Consideration

### SIMPLER ARRANGEMENT

Report Collision Rate Setup to Be Refined, New Fleet Contract Being Deliberated

NEW YORK, Jan. 24.—As the result of a two weeks' conference, the staff committee of the National Automobile Underwriters Association will submit to conference committees of the four regional jurisdictions a series of recommendations in connection with the forthcoming issue of the rate manual. Decisions of the committees are to be passed on to directors for final action.

The character of the recommendations has not been announced. The understanding among member company men, however, is that arrangement of the new manual will be far simpler, enabling underwriters and local agents readily to turn to rate charges instead of being forced to thumb through innumerable pages as heretofore. Probably the rates for each state will be on a single sheet, and the book of rules will be issued separately.

#### Seek Comprehensive Policy

In connection with collision rates the feeling is that the present setup is to be further refined as to car models, etc., and as to allowances for the various forms of deductibles—\$25, \$50, \$100, \$150 and \$250—applicable to such coverage. There has been agitation by company men for the issuance of a comprehensive policy, excluding collision, as many assureds object to the high cost of the present inclusive form and to the fact that the deductible in the comprehensive policy applies to all items and not merely to collision.

On the other hand, it is reported, consideration has likewise been given to issuance of a fleet policy that will assume liability for the collision hazard. The present practice is to name a rate for the fire and theft hazard and to add the flat collision charge.

All fleet risks assumed by association companies are rated on a basis of three full years' experience. To be eligible for special fleet rating the rule of the organization provides that "a fleet must be under one ownership and used for business purposes and must consist of either (a) ten or more automobiles or (b) a lesser number of automobiles provided the original cost of the automobiles when new was \$15,000 or more.

"Before a fleet rate is promulgated, an application for such a rate, signed by the assured, must be filed with the company.

"Automobiles added to or canceled from a policy covering a fleet of automobiles at the promulgated fleet rate may be added or canceled on a pro rata basis."

#### Matter of Minimum Charge

There has been some agitation in recent months for a reduction in the minimum charge of \$5 for fire and theft policies; which type it is estimated constitutes fully two-thirds of the total business written. A considerable percentage of it comes from jurisdictions outside the east; many assureds in the former territories declaring their inability to pay a higher premium.

(CONTINUED ON PAGE 27)

## Springfield F. & M. Head Honored by Associates



GEORGE G. BULKLEY

On the occasion of his tenth anniversary as president of the Springfield Fire & Marine, George G. Bulkley was entertained at a surprise dinner party given by the directors and officers.

Mr. Bulkley was first connected with the Springfield F. & M. in 1911 when, after 20 years of experience with other companies, he was appointed special agent for western New England. He went to the head office as secretary in 1912. In 1917 he was elected second vice-president, and in 1919 vice-president. He succeeded A. W. Damon as president in January, 1934.

As a token of their esteem, his associates presented Mr. Bulkley with a Waltham pendulum banjo clock bearing a medallion of George Washington and a reproduction of Mount Vernon on the door.

### Earthquake Expert Speaks

H. M. Engle, earthquake engineer of the Pacific Board and treasurer of the Seismological Society of America, addressed the San Francisco Blue Goose, Jan. 22 on "Reducing Earthquake Hazards in Central California."

He said it was reasonable to expect a shake along the the Hayward fault, which runs through territory on the east shore of San Francisco bay. This fault, he said, has been more active in slight shocks and has not had any major pressure relief in many years. He also discussed the results from the Long Beach quake, which awakened the public to action in improving construction.

## Illinois Blue Goose Takes New Lease of Life at Peoria Meet

The Illinois Blue Goose is now a much more vital influence in that state than it has been for many years. Last week, at the Blue Goose dinner in Peoria, following a day of field club meetings, more than 75 new members were elected, raising the total membership to 400. Many of the new members are from downstate, their interest having been aroused by the program to create puddles in some of the downstate cities, including Springfield and Peoria.

The Peoria function was enthusiastic and well attended. About 135 attended the banquet, including 57 of the new members. Much of the evening was devoted to plucking the pin feathers of ten new members, some new and fantastic methods of extraction being used as well as the more traditional procedures.

#### C. W. Ohlsen Officiates

C. W. Ohlsen, assistant manager of the Sun at Chicago, officiated, as most loyal gander. The address of welcome was made by Chief of Police Williams of Peoria, the response being made by Dan T. Harrigan, St. Paul F. & M. Brief talks were made by L. H. Bridges of Chicago, special agent for the Home, who is most loyal grand gander, and S. A. Mehorter, New York, who also represents the Home, and is grand supervisor. Another speaker was Dan T. Smith of Winchester, veteran state agent for the Firemen's group, for whom the new Springfield puddle has been named. J. D. LaTeer, Peoria, Agricultural, also spoke. He is credited with having inspired creation of the puddle in Peoria. J. L. Foster, adjuster of Springfield, also spoke. He is chairman of the organization committee of the Springfield puddle.

At the business meeting, the Peoria puddle was authorized and a meeting to perfect the organization will be held Jan. 29. J. H. Borah, Illinois Inspection Bureau, is temporary chairman of the Peoria puddle. Lawrence Brame of Rockford, state agent Security of New Haven, urged the creation of a puddle at Rockford. He was assured the officers will go there soon for a conference to that end.

#### Field Organization Meetings

The meetings of both the Illinois Fire Underwriters Association and the Illinois Field Club were exceptionally well attended. Hiram McCullough, office manager of the Illinois insurance department, and R. T. Nelson, deputy commissioner, in discussing and answering questions about the new agency qualification procedure in Illinois, held the attention of the Illinois Fire Underwriters Association, because a multiplicity of

questions has developed in the practical application of the new procedure. B. F. Peters, Royal, presided as head of the I. F. U. A.

Under the old system, Mr. McCullough recalled, an agent was required to fill out a blank for each company represented. One Illinois agency, representing 50 companies consequently had to fill out 50 blanks.

The procedure now is for the agent or broker to fill out only one questionnaire, which is an application for qualification. If the department declares he is qualified, then the companies which he represents, merely requisition the department for agency licenses. If the broker's application for qualification is approved, the brokerage license will be issued whenever the fee is remitted.

#### Consult Delinquent List

In passing on the application for qualification, the department consults the delinquent list and complaint file. If companies have made complaints against the agent, particularly to the effect that he has collected premiums for the company and has appropriated the money to his own use, a hearing is called and if the department is satisfied that the agent has been dishonest, he will not be qualified.

Until March 1, agents will continue to operate under the old system. The new licensing year begins March 1. Therefore if a new agent should be appointed today, he would have to be licensed under the old system, as well as be required to fill out an application for qualification under the new procedure.

Mr. McCullough said the department has taken the position that field men and other company employees must qualify as agents, even though they merely countersign an occasional policy and receive no commission.

Some of the field men pointed out to Mr. McCullough that the qualification law specifically exempts traveling representatives of insurance companies.

#### How Law Is Construed

Mr. McCullough said the department construes the law, however, to mean that if a company employee performs any of the functions of an agent, he must qualify as an agent.

He said the department is encouraging agents to buy brokers' licenses, as well as having agency licenses issued for them. The department feels that by so doing the producers would be protecting themselves against complications.

Later, the field men expressed the belief that the department perhaps had overlooked the danger to the agency system in encouraging wholesale use of brokerage licenses.

One of the members asked how an agent, who had been closed out because of irregular money transactions, might be prevented from reentering the business as a solicitor. Mr. McCullough said the companies should file complaints.

Mr. McCullough said the department mailed out 25,000 applications for qualification blanks.

#### Rubber Stamp Signatures

In answer to a question, Mr. McCullough said women employees, who sign their names to rubber stamp policy signatures, do not have to be licensed.

Mr. Nelson said as soon as possible after March 1, the department will return to the companies all the requisitions for licenses for agents who have not qualified. He said the Illinois Association of Insurance Agents is planning to prepare a list of those who have qualified and those who have applied for qualification, but were turned down.

(CONTINUED ON PAGE 27)

## Fine Trade Results

AN idea of what the 1933 underwriting results are likely to be may be gained from the figures of the Continental and Fidelity-Phenix of the America Fore group.

The Continental shows a decrease in loss ratio of 10 percent, while the expense ratio remained about stationary. The Fidelity-Phenix shows a loss ratio about 13 percent better in 1933, while the expense ratio was just the same.

Total premiums of the Continental last year amounted to \$19,023,016, as compared with \$19,886,315 the year before. Losses amounted to \$9,533,034 in 1933 as compared with \$11,961,149 in 1932. Expenses

last year were \$8,230,639 as compared with \$8,648,939 the year before. The loss ratio in 1933 was thus 50 percent, while in 1932 it was 60.1 percent. The expense ratio last year was 43 percent as compared with 43.4 percent in 1932.

Premiums of the Fidelity-Phenix last year amounted to \$14,845,696, as compared with \$15,534,206 the year before. Losses in 1933 were \$7,758,104 as compared with \$10,097,441 in 1932. The 1933 loss ratio was 52 percent as compared with 65 percent the year before and the expense ratio last year was 44 percent as compared with 44.1 percent in 1932.





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North America Agents offer more than just insurance . . . they sell a worldwide service, financial solidity, and a 142-year record. The name "North America" on a policy is a definite commodity, familiar to the millions of readers of North America's national advertising.

*See the North America full page advertisement in the Literary Digest, January 27, 1934.*



## Insurance Company of North America PHILADELPHIA

*and its affiliated companies write practically every form of insurance except life*

## NEWS OF THE COMPANIES

### America Fore Reports Given

**Total Assets of Fire Companies in Big New York Group Are \$163,031,045**

The fire companies in the America Fore group, as of Dec. 31, 1933, report total assets of \$163,031,045. The Fidelity & Casualty of the same group reported assets of \$33,798,362.

Contingency reserves are set up for all the companies, which are exactly equal to the difference between convention and actual Dec. 31, 1933, market values.

Assets of the Continental amount to \$70,633,524, including bonds and stocks of \$62,074,208; real estate \$1,768,170; premiums less than 90 days \$2,838,110, and cash \$3,680,022.

Premium reserve amounts to \$20,619,095, loss reserve \$3,102,378, contingency reserve \$6,272,677, capital \$4,873,989 and net surplus \$32,335,352.

The Fidelity-Phoenix assets were \$55,531,070, including bonds and stocks \$48,715,404, real estate \$1,738,170, premiums less than 90 days \$2,279,103. Premium reserves amounted to \$16,491,942, loss reserve \$2,684,989, contingency reserve \$5,871,467, capital \$3,464,824 and net surplus \$24,228,788.

Assets of the Niagara Fire are \$19,344,043, including bonds and stocks \$17,268,266, premiums less than 90 days \$985,833. Premium reserve is \$5,449,145, loss reserve \$686,434, contingency reserve \$235,019, capital \$1,000,000 and net surplus \$9,364,990.

The American Eagle shows assets of \$11,471,933, including bonds and stocks \$10,087,201, premiums less than 90 days \$720,467. Premium reserve is \$3,433,816, loss reserve \$681,846, contingency reserve \$235,018, capital \$1,000,000 and net surplus \$5,814,851.

The First American reports assets \$3,641,951, including bonds and stocks \$2,988,831, premiums less than 90 days \$266,310. Premium reserve is \$841,309, loss reserve \$108,226, contingency reserve \$170,321, capital \$1,000,000 and net surplus \$1,437,043.

Assets of the Maryland are \$2,408,521, including bonds and stocks \$2,067,423, premiums less than 90 days \$119,226. Premium reserve of the Maryland amounts to \$335,231, losses \$42,871, contingency reserve \$199,031, capital \$1,000,000 and net surplus \$790,107.

### Pacific National's Figures

**Its Annual Statement Shows That the Company Is in Very Liquid Position**

The annual statement of the Pacific National Fire of San Francisco shows a healthy condition. Its assets are \$3,609,392, premium reserve \$991,071, capital \$1,250,000, net surplus \$1,203,036. Its bonds and stocks are listed at market value as of Dec. 31. Its assets increased 5.9 percent. The net surplus increased \$149,982 or 14.2 percent. Its cash and government bonds amount to 26.1 percent, total bond holdings 52.9 percent, common and preferred stocks 27.7 percent. The loss ratio together with adjustment expense last year was 35 percent as compared with 43.2 percent in 1932. The premiums were \$886,890, increase 13.1 percent. The Pacific National Fire is thus seen to be in a highly liquid position. The strictly fire loss ratio last year was 33.8 percent as compared with 38.6 percent the year before.

The Arkwright Mutual and Boston Manufacturers Mutual have been licensed in California. F. E. Slayter of San Francisco is general agent for both companies.

### Annual Statements Shown

**St. Paul F. & M. and the Mercury Give a Good Account of Themselves Last Year**

The St. Paul Fire & Marine and Mercury, its running mate, have issued their annual statements showing both companies to be in splendid condition. The St. Paul's assets are \$27,001,714, a decrease of \$499,106. Its bonds and stocks are put in at market value, the bonds being \$15,552,159 and the stocks \$4,570,624. Its cash is \$1,410,382. The premium reserve is \$9,061,533, special reserve \$316,918, capital \$4,000,000, net surplus \$10,931,953. Its interest earned was \$1,234,067, its depreciation in market value and loss on sales \$1,366,141, its underwriting profit \$1,486,892. Its surplus increase was \$84,818. It added \$75,000 to its conflagration reserve. The premiums were \$11,523,461, decrease \$546,370. The premium reserve fell off \$830,585.

### Mercury's Annual Figures

The Mercury shows assets \$3,847,051, all securities being valued at market values Dec. 31. The assets increased \$13,623; premium reserve \$1,488,872, decrease \$61,597, capital \$1,000,000, net surplus \$1,086,496, increase \$114,265. The premiums were \$1,588,626, decrease \$65,994. Its interest amounted to \$202,141, depreciation in market values and loss on sales \$284,265 and its underwriting profit \$297,559.

In the St. Paul statement the surplus is retained after charging off over \$8,880,000 in securities values during the last six years.

### McLelland Takes New Post

**Frank G. Talbot Has Been Made Superintendent of Agents of the Detroit F. & M.**

DETROIT, Jan. 24.—Raymond Waldron, executive vice-president of the Detroit Fire & Marine, has appointed Frank G. Talbot, who has been chief examiner for the last eight years, agency superintendent and he has also assumed W. L. McLelland's duties. Mr. Talbot has had a broad experience in insurance work, both in the home office and the field. Before joining the Detroit Fire & Marine he was on the road in Michigan for Crum & Forster.

W. L. McLelland, who has been secretary of the Detroit Fire & Marine at its head office, left Detroit last week to take his new position as vice-president and secretary of the American National of Columbus, succeeding G. D. Gregory, who becomes secretary of the Great American fleet and assistant western manager at Chicago. Mr. McLelland is one of the main Great American men, having been agency superintendent at the head office before going to Detroit.

Mr. McLelland began his insurance career in his father's local fire agency in Madison, Ind., later becoming special agent for and still later assistant secretary of the Standard of Hartford. In 1925 he joined the Great American fleet as field representative in New York state for the American Alliance, later going to the home office of the Great American as agency superintendent. He came to Detroit Jan. 1, 1931, as secretary of the Detroit F. & M.

### To Wind Up Affairs

In view of the fact that the Sprinklered Risk Underwriters of Chicago is no longer transacting an insurance business and is in the process of liquidating its affairs, Insurance Director Palmer finds that the exchange is subject to the

provisions of the Illinois liquidation act. He has, therefore, requested the attorney general to bring proceedings for the appointment of a receiver.

The governing body of the exchange in December, 1931, decided that the reciprocal plan was not adapted to modern insurance needs and voted to transfer its risks to the Sprinklered Risk Mutuals and/or the Central Manufacturers Mutual of Van Wert, O. This was done and during 1932 all business in force was transferred or canceled and a distribution of the funds realized from the sale of securities was made to the subscribers. The cash refunds and distributions of \$344,660 were made. As Dec. 15, 1933, the Illinois department examination shows the exchange in possession of admitted assets of \$39,024 and liabilities of \$961, leaving a surplus of \$38,063.

The examiners informed Mr. Palmer that the exchange is preparing to file an order to release securities on deposit with the state. The only invested assets of the exchange not disposed of are those on deposit with the Illinois department and it is the plan of the management completely to liquidate the affairs of the exchange, if and when, these securities are released to it.

#### Monarch Fire Appointments

The Monarch Fire has appointed Calley & Clark, Huntington, W. Va., general agents for West Virginia. Carl B. Lovett is made general agent for Kansas and Missouri with headquarters in Kansas City. He formerly traveled in Michigan for the Commercial Union for seven years.

C. P. Taylor has been appointed assistant district manager in southern California for the General Agencies of New York, representing the Monarch Fire. He has been with the Humphreys general agency in Los Angeles for six years, and before that was with the A. T. Bailey and C. A. Colvin offices in San Francisco.

#### Ask Receiver for Old Carrier

BOSTON, Jan. 24.—Appointment of a receiver for the 86 years old Annisquam Mutual Fire of Lynn, Mass., has been asked for by Commissioner M. L. Brown. Judge Donahue of the supreme court has issued an order temporarily restraining the company from doing further business except to collect money due. The commissioner avers that an examination discloses an unsound condition and that further operation would be hazardous to the public, its policyholders and its creditors.

#### Must Pay on French Liner

The French courts have ruled that insurers of the French liner L'Atlantique, which burned a year ago, must pay the full amount insured, more than \$10,000,000, according to reports received in this country. About \$732,000 of the sum was carried by American companies and the remainder by British underwriters.

#### Auto Salvage Man Dies

Louis "Peppy" Meyers, head of the Automobile Salvaging Company in the Insurance Exchange, Chicago, who was well known to automobile insurance men in that city, died suddenly at the age of 44. He had conducted the salvaging company eight years. The organization is being perpetuated without change by his son, M. B. Meyers.

#### Lafayette Fire Meeting

The Lafayette Fire held its annual officers and directors fellowship dinner with President John X. Wegmann presiding. All officers were reelected.

The governing committee of the Interstate Underwriters Board, of which P. B. Sommers, vice-president of the American of Newark, is chairman, will meet in New York Feb. 1. A meeting of the arbitration committee was held Jan. 19.

The Westchester has declared a quarterly dividend of 25 cents a share and an extra dividend of 10 cents a share.

## FIGURES FROM DECEMBER 31, 1933 STATEMENTS

|                                       | Cash<br>Assets | Security<br>Fluc.<br>Res. | Unearned<br>Prams. | Cash<br>Surplus | 1933<br>Prams. | Losses<br>Paid 1933 | Total<br>Income | Total<br>Disburs. |
|---------------------------------------|----------------|---------------------------|--------------------|-----------------|----------------|---------------------|-----------------|-------------------|
| Cream City Mutual                     | \$ 332,948     |                           | \$ 53,695          | \$ 278,510      | \$ 57,282      | \$ 10,547           | \$ 70,612       | \$ 38,688         |
| Frankford Mutual, Pa.                 | 557,733        |                           |                    | 675,427         | 26,337         | 6,316               | 70,004          | 44,586            |
| Hardware Dealers Mutual, Wis.         | 4,624,281      | \$ 55,000                 | 2,538,556          | 1,750,949       | 3,440,820      | 1,034,838           | 3,610,637       | 3,183,190         |
| Indiana Mutual Fire & Cyclone         | 369,154        |                           |                    | 316,096         | 453,489        | 320,568             | 476,404         | 501,119           |
| Mennonite Mutual, Kan.                | 266,565        |                           | 186,000            | 86,000          | 105,091        | 71,316              | 115,650         | 124,590           |
| Richland County Mutual, O.            | 491,814        |                           | 29,995             | 460,026         | 118,437        | 31,444              | 139,729         | 102,562           |
| Sun Mutual, O.                        | 292,305        |                           | 107,218            | 184,599         | 52,380         | 13,823              | 74,066          | 67,364            |
| Tri-State Mutual Grain Dealers, Minn. | 299,394        | 17,841                    | 76,911             | 193,557         | 124,165        | 25,177              | 140,594         | 99,366            |
| Union Mutual, Vt.                     | 116,969        |                           | 74,281             | 138,380         | 398,010        | 253,990             | 409,911         | 400,363           |
| Waterloo Mutual, Can.                 | 1,659,126      | 100,000                   | 258,360            | 1,274,375       | 316,677        | 208,643             | 395,772         | 379,990           |
| West Bend Mutual, Wis.                | 334,595        | 5,000                     | 68,028             | 257,638         | 67,294         | 19,799              | 84,173          | 58,921            |

\*Does not include notes and policyholders' contingent liability.

## COMPANY'S STRENGTH

### clinches sales for agents



"WE are proud to represent a company with such unusual financial strength. More people are inquiring as to the financial strength of companies than ever before. The company's comparative strength is a good talking point at present."—SMITHFIELD, PA., LOCAL AGENT.

"WE like the financial position of your company under present conditions. We are more deeply interested in the financial strength of the companies we represent, and are certainly proud to present your statement to any inquiring client." — MARION, OHIO, LOCAL AGENT.

CLINCH SALES by presenting to your clients Millers National's financial statement—point out

- (1) Assets are in cash and bonds—only \$500 is in stocks.
- (2) For every \$100 of liability there is almost \$200 of assets—almost double protection.

- (3) In comparative strength with 250 of the largest fire companies, Millers National ranks 30th—one of the strongest.

Your clients will appreciate the quality of the company's liquid, diversified investment portfolio. It is their warranty that in the event of loss "goods will be delivered."

Send for a copy of the latest financial statement—it's yours without obligation.

1865  1934

## MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

One of the Strongest in Business



## PWA Requiring Insurance on Delaware River Bridge

**CALLS FOR \$15,000,000 COVER**

**Bridge Commission Is Seeking to Avoid  
Taking Protection Involving  
\$40,000 Premium**

PHILADELPHIA, Jan. 24.—The Public Works Administration is remaining firm in its stand that the Delaware river bridge commission take out a \$15,000,000 full form all-risk use and occupancy policy on the Delaware river bridge as a result of the loan and outright grant, aggregating \$10,000,000 recently given the commission for use in building a high speed line across the bridge.

The bridge commission sought to avoid the insurance angle, suggesting to Secretary Ickes that Philadelphia and New Jersey and Philadelphia would put up their own bonds as security for the loan.

This the government refuses to accept. It is holding to its decision several months ago that any loan given any project which is a money-making venture and not solely a city or state project, must carry insurance as long as the government money remains unpaid.

The commission members are seeking to avoid the high insurance premium involved. The rate set by the bridge rating committee of the Inland Marine Underwriters Association of New York, is said to be \$40,000 for \$15,000,000 of protection.

It is said that the policy, when the insurance is given out, will go to Thomas B. Smith & Co., which is headed by David Smith, son of former Mayor Smith of Philadelphia, who is a member of the commission. Mayor Smith, however, resigned from the

agency several years ago. The insurance, it is said, was offered at competitive bidding several months ago and the Smith agency was selected to receive the insurance if—and when—it is taken out.

## Nebraska Director in Rule on Customers' Fur Policies

LINCOLN, NEB., Jan. 24.—Following his oral finding that he would modify his previous order adopting in its entirety the nationwide definition and interpretation of the insuring powers of marine and transportation companies, Insurance Director Herdman of Nebraska issued the following rule:

"Section entitled furriers and/or fur storer's customers policies is hereby repealed and no longer of any force or effect in this state, and in place thereof the following provision relating to this subject is adopted as a rule of this department:

"Such policies may be issued to cover under the following conditions:

"(a) Specified fur garments or garments trimmed with fur, the property of customers, while in the custody of the furrier and/or fur store for storage, alteration or repairing, cleaning or remodeling, and for which the furrier or fur store has issued a receipt under which he or they agree to insure the property.

"(b) The policy may be extended to permit the furrier and/or fur storer to issue to its customers such fur floater policy that may be furnished by the company, provided each such policy is countersigned by the resident agent of the company, and is not extended by endorsement or otherwise. Such policy must also bear upon its either side any conditions of insurance insofar as they affect the assured. In no case shall it be permissible for the company to issue a policy solely for the coverage provided in paragraph (b)."

## Recent News from Pacific Northwest Insurance Field

PORTLAND, ORE., Jan. 24.—At the annual meeting of Special Agents Association of Pacific Northwest, E. W. Porep of Seattle, North America, was elected president; Geo. L. Dutton, Great American and Phoenix of Hartford, vice-president; A. U. Hoelting, Home of New York, secretary. The record attendance comprised leading special agents from Spokane, Seattle and Portland. "Municipal and State Fire Losses" was the subject of a most interesting address by E. A. Taylor of Oregon insurance commissioner's office.

The one-day session ended with a joint banquet by special agents and Oregon Blue Goose.

Perce Y. Perry is chosen president **King County Insurance Association** at Seattle, E. R. Bowden of Bowden, Gazam & Arnold, vice-president; B. B. Hillen, secretary-treasurer, and Louis LaBow, K. J. Morford and Aubrey Wilson, one-year trustees; H. E. Briggs, W. C. Carlson and Walter G. Crockett, two-year trustees.

N. S. Walker has been transferred from San Francisco offices of America Fore group to Seattle, where he will assist A. V. Holman, special agent.

E. R. Thompson, 54, well known independent adjuster at Portland, died at his home of a heart attack. He was associated in various capacities with a number of companies over a period of 30 years.

Dan Downen, local agent at Pullman, Wash., is confined in the Sacred Heart hospital at Spokane for a major operation.

The new joint service offices of **Royal-Liverpool & London & Globe** and asso-

ciated casualty companies will be opened in the Exchange building, Seattle, on March 1 under the supervision of Assistant Manager Geo. F. Guerraz and Special Agent David A. McKinley. Temporarily B. F. Weaver from the Southern Department at Atlanta will be transferred to the Coast headquarters at San Francisco on account of the retirement of Assistant Manager F. H. Farr.

Arthur E. Brown Company, adjustment firm of Sacramento (Cal.) has opened a branch in Stockton. The new branch will be in charge of Peter Ough.

## Kentucky Investment Bill Follows New Illinois Law

A bill governing the investments of domestic companies, modeled in important respects after the Illinois investment law, has been introduced in the Kentucky legislature. It was drawn by Actuary Tate of the Kentucky department.

Under the bill, companies are limited, percentage wise, in the various classes of investments. The percentages are about the same as in the Illinois law. There is no limit on the amount of U. S. bonds that may be held; state and Canadian bonds must not exceed 25 percent; municipals 25 percent; mortgages 60 percent; equipment trusts 10 percent; railroad bonds 10 percent; utility bonds 10 percent; industrial bonds 10 percent, and stocks 10 percent. The bill prohibits a domestic company from investing in the stock or securities of another insurance company. Officers are prohibited from making a profit on any investment transaction. There is a prohibition against investments in securities of enterprises, in which officers or directors are pecuniarily interested. An investment may not be made without the approval of the finance committee or majority of directors.

Under the Kentucky bill, prior investments are not invalidated.

SERVING the direct-writing fire insurance companies today with  
the best facilities of modern times backed up by financial security.

# INTER-OCEAN REINSURANCE COMPANY

HOME OFFICE  
Cedar Rapids, Iowa

EASTERN FACULTATIVE DEPARTMENT  
123 William Street, New York



## Pacific Fire Underwriters Meeting Program Prepared

### GATHER IN SAN FRANCISCO

Commissioner Sullivan and Several  
Leading Insurance Men to Ad-  
dress Association Feb. 6-7

SAN FRANCISCO, Jan. 24.—Sub-  
jects and speakers at the annual meet-  
ings of the Fire Underwriters Associa-  
tion of the Pacific, Feb. 6-7, are:

"Company Financial Structure," Com-  
missioner W. A. Sullivan of Washing-  
ton.

"NRA and Competition," R. O. El-  
more, Fireman's Fund.

"Insurance Selling and Advertising,"  
H. H. Kirschner, San Francisco.

"Hops," James C. Hitt, London As-  
surance.

"Provisional Insurance," C. L. King,  
Crum & Forster.

"Mining Hazards," J. T. Breckton.

"New Methods of Auto Underwrit-  
ing," K. M. Brown, Fireman's Fund.

"Collecting and Experience," Hugh  
Coburn, Home of New York.

"Adjusting Earthquake Losses," F. H.  
Henderson, Fire Companies Adjust-  
ment Bureau.

"Inland Marine Covers," G. L. West,  
Hartford Fire.

"Sugar Beet Industry," R. T. Wil-  
liams, Aetna Fire.

"Local Agents Associations," H. N.  
Mann, President, Insurance Agents  
League of Washington.

"Concealed Risks," E. T. Davis, at-  
torney.

"Unprotected Risks," E. W. Porep,  
North America.

"Use & Occupancy," H. B. Mariner.

Dinner speakers are A. J. Cleary,  
chief administrator San Francisco, and  
Professor George W. Dowrie.

## General Companies' Figures

### Annual Report Gives Results of the Year's Operations of the Seattle Group

At the annual meeting of the General  
of Seattle, General Casualty and First  
National, President H. K. Dent gave his  
annual report. The total premiums of  
the three companies were \$5,327,000,  
gain 13 percent. The number of poli-  
cies increased 15 percent. The two fire  
company premiums were \$2,380,065, loss  
ratio 47.63 percent. For 1932 the ratio  
was 49.26 percent on a premium income  
of \$2,345,425.

The General Casualty had premiums  
\$1,305,057, loss ratio 44.79 percent. In  
1932 the loss ratio was 55.23 percent  
with a premium income of \$1,220,278.

The assets of the General of Seattle  
were \$6,942,000 as compared with \$6,-  
709,000. The net surplus was \$2,131,000  
as compared with \$2,111,000. The pre-  
mium reserve was \$2,669,000 as com-  
pared with \$2,596,000. The capital is  
\$1,000,000.

The General Casualty's assets were  
\$2,520,000 as compared with \$2,208,000.  
The net surplus increased from \$512,000  
to \$582,000. The capital is \$500,000. The  
premium reserve is \$801,000 as compared  
with \$633,000. The entire liability of the  
First National is reinsured in the Gen-  
eral. The First National has capital and  
surplus of \$417,000. The net earnings of  
the General American Corporation,  
the holding company, amounted to \$300,-  
580, equivalent to 25.1 cents per share.

### Shotwell Takes Post Feb. 1

S. T. Shotwell, newly appointed sec-  
retary of the North British & Mercan-  
tile group in charge of the automobile  
department, will assume his post Feb.  
1. He succeeds Secretary J. L. Mylod,  
recently placed in charge of the west-

## Completes 25 Years in Fire Association Service



MELVIN LE PITRE

Melvin LePitre, assistant western  
manager, has completed 25 years in the  
service of the Fire Association and the  
occasion was remembered by his co-  
workers, who entertained him at lunch-  
eon and presented him with cigars, flow-  
ers and a pair of pipes. His entire in-  
surance career has been spent in the  
service of the Fire Association. For-  
merly he had been engaged in the coal  
business in Chicago.

He was advanced from register clerk  
to examiner in the western department  
in short order and was sent into the  
field in 1911, as Illinois special agent.  
In 1917 he was appointed Illinois state  
agent and in 1923 was taken into the  
western department office as second as-  
sistant manager. About four years ago  
he was made assistant manager.

While in the field, Mr. LePitre served  
as president of the Illinois State Board  
of Fire Underwriters, vice-president of  
the Illinois Fire Prevention Association  
and treasurer of the Fire Underwriters  
Association of the Northwest. At pres-  
ent he is president of the Mill & Ele-  
vator Conference.

Several years ago Mr. and Mrs.  
LePitre were badly injured in an auto-  
mobile accident and a series of repairs  
was necessary. He has a sense of  
humor and is popular among company  
men and agents.

### Union National's Lineup

The Union National Fire of Omaha,  
recently licensed, has elected officers.  
W. C. Anderson, head of the Colorado  
Guaranty Corporation, is president; C.  
O. Talmage, president General States  
Insurance Corporation, secretary; C. S.  
Copeland and C. B. Roberts, vice-pres-  
idents, and N. J. Sharp, treasurer. It  
will have headquarters with the General  
States Company, which will underwrite  
the business of the new company.

### To Reduce Capital

Stockholders of the Importers & Ex-  
porters, at the annual meeting Feb. 15,  
will be asked to approve reduction of  
capital from \$1,000,000 to \$400,000, the  
difference to be transferred to surplus.  
A year ago the Importers & Exporters  
reinsured its fire business in the Amer-  
ican Equitable and the Corroon & Reyn-  
olds organization has acted as managers  
of its fire operations since that time, all  
writings being automatically reinsured  
in the American Equitable. The auto-  
mobile business of the Importers & Ex-  
porters has been conducted separately.

ern division of the western department  
of the group. Mr. Shotwell is a native  
of New York City, and has spent the  
past ten years in the middle west as  
field representative of another company.

# NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



## Statement June 30, 1933

Surplus based on Market Quotations of June 30th, 1933,  
as filed with New York Insurance Department.

### Assets

|                                    |                 |
|------------------------------------|-----------------|
| United States Bonds . . . . .      | \$ 3,291,765.63 |
| Canadian Bonds . . . . .           | 252,400.00      |
| Other Bonds and Stocks . . . . .   | 10,837,151.78   |
| Real Estate . . . . .              | 362,750.00      |
| Agents' Balances . . . . .         | 747,118.73      |
| Accounts Receivable . . . . .      | 228,183.97      |
| Cash in Banks and Office . . . . . | 415,780.25      |
|                                    | \$16,135,150.36 |

### Liabilities

|   |                 |
|---|-----------------|
| Unearned Premium Reserve . . . . .                  | \$ 4,373,596.18 |
| Reserve for Losses . . . . .                        | 612,100.08      |
| Reserve for Taxes and other Liabilities . . . . .   | 303,925.00      |
| Reserve for Dividends declared and unpaid . . . . . | 120,000.00      |
| Special Reserve . . . . .                           | 200,000.00      |
| Contingency Reserve . . . . .                       | 1,735,000.00    |
| Capital Stock . . . . .                             | 3,000,000.00    |
| Surplus . . . . .                                   | 5,790,529.10    |
|   | \$16,135,150.36 |

NOTE: The contingency reserve of \$1,735,000.00 represents the difference  
between the market quotations of bonds and stocks as of June 30th, 1933, and  
the values carried in the assets in this statement.

### AFFILIATED COMPANY

**Granite State Fire Insurance Company**  
Portsmouth, N. H.



# Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

**Casualty  
Fidelity  
Surety**

Unquestioned Financial Stability

Unique, Convenient Policies

Complete, Efficient Service

All Modern Coverages

*Combination Automobile Policy, Combination  
Residence Policy and Complete Golfer's Policy  
issued jointly with allied fire companies.*

## NEWS OF FIELD MEN

### Announce New York Changes

**Aetna Fire and World F. & M. Make  
Shifts Following Transfer of  
R. S. Garvie to Hartford**

Following the election of R. S. Garvie, former western New York state agent, as assistant secretary of the Aetna Fire and World Fire & Marine, the following changes in the New York State field force are announced:

Former Special Agent C. G. Bulkley has been transferred from Albany to Syracuse, where as state agent he will supervise the central New York field. T. M. Hill has been appointed special agent in association with State Agent H. B. Nugent at Albany. State Agent S. W. Ross has moved his headquarters from Syracuse to Rochester to succeed Mr. Garvie in western New York territory.

State Agent Bulkley joined the Aetna in 1924, and after three years at the home office was appointed special agent for eastern New York state, being associated with State Agent Nugent. Special Agent Hill joined the home office staff in 1927.

### Slater Head of Dakota Pond

**Annual Midwinter Splash for Two  
States Held at Fargo With Large  
Attendance**

FARGO, N. D., Jan. 24.—R. L. Slater, Commercial Union, Sioux Falls, S. D., was elected most loyal gander at the midwinter splash of the Dakota Blue Goose in Fargo. He succeeds Don C. Brown, Fire Association, Fargo.

Other officers are Burt Burton, Home of New York, Fargo, supervisor; W. H. Mashek, Northwestern Fire & Marine, Sioux Falls, custodian; H. A. Paulson, North America, Fargo, guardian; T. P. Davis, Phoenix of Hartford, Fargo, keeper, and H. O. Kallgren, Home, Fargo, welder. They will take office at the midsummer meeting which probably will be held in Alexandria, Minn., in June.

Three candidates were initiated. Lynn Stambaugh, Fargo attorney, was toastmaster at the banquet, which was followed by an informal dance.

### E. L. Kelley Gets Promotion

**Field Man for the American National  
Becomes Agency Superintendent  
for Great American**

Edward L. Kelley of Detroit, state agent of the American National of Columbus, O., has been appointed agency superintendent at the home office of the Great American fleet in New York City. Mr. Kelley was formerly with the old Cochran, Thomas & Co. general agency at Dallas, and went to Chicago with the Fire Association when J. W. Cochran was made western manager. He was with the underwriting department and then became a general utility man in the field, working largely in Michigan. He then went with the American Foreign Insurance Association and was assigned in turn to Japan, China and India. On his return to the United States he was elected secretary of the Fire Association, remaining with the group until a new management took charge. He has had a wide experience.

### Buffalo Field Club Elects

W. C. Truncer of the St. Paul F. & M. has been elected president of the Buffalo Field Club. J. W. Frey is vice-president and R. Eisert, Agricultural, is secretary.

### Barren Is Named by Phoenix

**Succeeds the Late Simeon Herdegen as  
District Manager at Milwaukee—  
Long at Dinner**

MILWAUKEE, Jan. 24.—H. L. Barren has been appointed district manager of the Milwaukee office of the



H. L. BARREN

Phoenix of Hartford to succeed the late Simeon Herdegen, who died last November after more than 50 years of continuous service with the Phoenix. The Milwaukee office was established by Mr. Herdegen in 1898. For the past six years Mr. Barren was associated with Mr. Herdegen in the Milwaukee office and previously was at the home office at Hartford for several years. Having spent his entire career with the Phoenix, Mr. Barren has had considerable fire insurance engineering experience and is thoroughly familiar with the company's underwriting policies. The Milwaukee branch is a service office for Milwaukee county.

Vice-president G. C. Long of the Phoenix was in Milwaukee to announce the appointment of Mr. Barren. He was host at a dinner for the agents when the formal announcement was made. Among those attending the dinner was Henry Eckstein, president of the C. F. Hibbard agency, which has represented the Phoenix for 53 years.

### Van Buren Is New Head of Connecticut Field Club

John Van Buren, special agent for the Continental, was elected president of the Connecticut Field Club at the annual meeting in Hartford, which was attended by 50. John Morrison, of the McManus & Co., general agency, is the new vice-president; John A. North, Connecticut Fire, is treasurer, and J. M. Cosgrove, National Liberty, secretary.

James Closs, who was recently elected secretary of the Atlas, was a guest at the annual meeting.

### Watters Des Moines Speaker

DES MOINES, Jan. 24.—At the Monday luncheon of the Iowa Blue Goose, Thomas Watters, Des Moines insurance attorney, explained the senate bill which would provide a sinking fund through taxation for repairing or replacing school property in cities of over 40,000 population.

This measure, Mr. Watters said, if passed, would be the entering wedge for state insurance, not only on school



property but probably all forms of city, county or state owned property.

### Whitcombe to Illinois

Earl S. Whitcombe is being transferred by the Hartford from the eastern Missouri field to Illinois. Temporarily his headquarters will be in Chicago. Before traveling in Missouri, Mr. Whitcombe was located in the western department office of the Hartford at Chicago.

### Louisiana-Mississippi Change

NEW ORLEANS, Jan. 24.—The National of Hartford, Mechanics & Traders and Transcontinental will operate direct in Louisiana and Mississippi, effective Feb. 1. They were formerly on a general agency basis, being represented by T. B. Norton, now deceased. Business in the two states will be supervised by State Agent G. E. Hancock, for the past two years special agent in Alabama and Georgia.

### Wallace Terminates Work

R. L. Wallace, Centralia, Ill., who has been special agent for the America Fore companies, is no longer connected with that organization.

### Duncan with Fire Association

A. E. Duncan, Jr., has been appointed special agent of the Fire Association group in Pennsylvania. He has had 17 years' experience in the state, first as a representative for Thompson Derr & Bro. of Wilkes-Barre, and more recently was special agent for the Glens Falls. He is the son of the late A. E. Duncan, former president of the Franklin Fire of Philadelphia.

### Crawford Back in Field

SAN ANTONIO, TEX., Jan. 24.—F. A. Crawford, formerly agency superintendent of the Great American Fire, who has been spending some time in Texas on account of his health, has been appointed special agent of the

## INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago, at close of business Jan. 23

| Stock                 | Par  | Div. per Share | Bid    | Asked  |
|-----------------------|------|----------------|--------|--------|
| Aetna Cas. ....       | 10   | 1.60           | 52     | 54     |
| Aetna Fire ....       | 10   | 1.60           | 36     | 38     |
| Aetna Life ....       | 10   | ...            | 19     | 20     |
| American, N. J. ...   | 2.50 | .50            | 9      | 10     |
| Amer. Surety ...      | 25   | ...            | 18     | 20     |
| Automobile, Conn. ... | 10   | 1.00           | 22     | 24     |
| Boston ...            | 100  | 16.00          | 440    | 460    |
| Continental Cas. ...  | 5    | ...            | 13     | 15     |
| Continental Ins. ...  | 2.50 | 1.20           | 30     | 31     |
| Fidel-Phenix ...      | 2.50 | 1.20           | 29     | 30     |
| Fire Assn. ....       | 10   | 1.00           | 36     | 37     |
| Fireman's Fund. ...   | 5    | 3.00           | 56     | 58     |
| Fireman's F. Ind. ... | ...  | ...            | 56     | 58     |
| Franklin Fire ...     | 5    | 1.00           | 13 3/4 | 20 1/2 |
| Glens Falls ...       | 10   | 1.60           | 28     | 30     |
| Great Amer. Ind. ...  | 1    | ...            | 10     | 12     |
| Great American. ...   | 5    | 1.00           | 18     | 20     |
| Hanover ...           | 10   | 1.60           | 29     | 31     |
| Harmonia ...          | 10   | 1.00           | 19     | 21     |
| Hartford Fire ...     | 10   | 2.00           | 45     | 47     |
| Home, N. Y. ...       | 5    | 1.00           | 20     | 22     |
| Ins. Co. of N. A. ... | 10   | 2.00           | 41     | 42     |
| Maryland Cas. ...     | 1    | ...            | 1 3/4  | 2 1/4  |
| Mass. Bonding ...     | 25   | ...            | 13     | 15     |
| National Cas. ...     | 10   | ...            | 4      | 5      |
| National Fire ...     | 10   | 2.00           | 47     | 49     |
| National Liberty. ... | 2    | .20            | 6      | 7      |
| National Union ...    | 20   | ...            | 72     | 75     |
| New Amst. Cas. ...    | 5    | 1.20           | 11     | 12     |
| New Brunswick. ...    | 10   | 1.00           | 19     | 21     |
| North River ...       | 2.50 | .60            | 18     | 20     |
| N. W. National. ...   | 25   | 5.00           | 88     | 95     |
| Occidental ...        | 10   | ...            | 16 1/2 | 17 1/2 |
| Phoenix, Conn. ...    | 10   | 2.00           | 56     | 58     |
| Prov. Wash. ...       | 10   | .80            | 25     | 27     |
| Sprgfld. F. & M. ...  | 25   | 4.50           | 88     | 90     |
| St. Paul F. & M. ...  | 25   | 6.00           | 119    | 122    |
| Travelers ...         | 100  | 16.00          | 404    | 410    |
| U. S. Fire ...        | 4    | 1.20           | 33     | 35     |
| U. S. Fid. & G. ...   | 2    | ...            | 4 1/2  | 5 1/2  |

\*Paid during 1933.

Great American in Florida, with headquarters at Lakeland.

### Field Notes

The Iowa Fire Prevention Association will inspect Clarinda Feb. 7.

T. H. Carlson, Missouri state agent of the Queen, is confined to his home in Kansas City following a minor operation.

The Cleveland Blue Goose has arranged elaborate entertainment for its meeting, Feb. 5, the eve of the meetings of the Ohio field clubs.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### HAS WORKING CONTROL

Through the issuance of the annual report of the Tri-Continental Corporation of New York City, it is revealed that the institution together with its affiliate, Selected Industries, holds 32,125 shares of the Globe & Rutgers Fire, or slightly in excess of 40 percent of the latter's outstanding stock. In effect, it is stated, Tri-Continental has working control of the insurance company. Earle Bailie, then chairman of the board of the Tri-Continental, admitted some months ago that the corporation had secured "a substantial interest in the stock of the Globe & Rutgers" but declined to be more specific. Subsequently he resigned his connection with the Tri-Continental to assume an advisory post with the Treasury Department, an association which he retained for a brief period only, retiring to reenter private business.

\* \* \*

### R. T. STEWART HONORED

R. T. Stewart, secretary of the North British & Mercantile group in charge of its middle department, was tendered a complimentary dinner by 50 of his associates and friends in honor of his 30 years' service. Manager C. F. Shallcross presided. Assistant Manager C. E. Case assisted in the ceremonies. Mr. Stewart was presented with a handsome desk set, General Agent G. H. Duxbury making the presentation talk. Mr. Stewart started with the North British in 1904. In 1920 he became special agent for the New York suburban field, being transferred in March, 1921, to western New York. In January, 1926,

he was recalled to the head office to become assistant general agent in the middle department. He was made general agent in January, 1928, and in January of last year was elected secretary.

### NOT SUBJECT TO TAX

Fire insurance companies are not subject to the excess profits income tax provision of section 215 of the national industrial recovery act, the National Board has informed members. Therefore, the companies will not be required to fill out the information as called for in respect to the excess profits tax.

\* \* \*

### DEATH OF F. I. CRISFIELD

F. I. Crisfield, general adjuster for the Royal-Liverpool & London & Globe group, died at his home in Brooklyn last Saturday, following a brief illness. He was in his 69th year. Funeral services were held Jan. 23. A native of London, Mr. Crisfield came to this country in 1872, later entering the service of the Liverpool & London & Globe as an office boy. His father was general adjuster at the time and so continued for many years. After some years' experience at the head office of the company in New York City, Mr. Crisfield was sent into the New York State field as special agent, so continuing for eight years, when he was called to the chief office as head of the adjusting department. A strong churchman, he was a singer of such note that while a member of the famous Hatton quartet, he was invited to sing before British royalty a number of years ago, a suggestion he declined through his innate dislike of publicity.

## Statement

of

Assets and Liabilities

# Pacific National Fire Insurance Company

San Francisco, California

As of December 31st, 1933

### Assets

|   |                       |
|---|-----------------------|
| Cash .....  | \$ 331,673.24         |
| Cash on hand and in Banks.  |                       |
| Bonds (Valued at market price December 31st, 1933) ..   | 1,907,825.00          |
| United States Government Bonds.....   | \$611,156.25          |
| Bonds of other Governments.....   | 24,750.00             |
| State, County and Municipal Bonds..   | 590,956.25            |
| Public Utility Bonds.....   | 303,881.25            |
| Industrial and Miscellaneous Bonds...   | 153,612.50            |
| Railroad Bonds .....  | 223,468.75            |
| Stocks (Valued at market price December 31st, 1933) ..  | 1,001,499.62          |
| Public Utility Preferred Stocks.....  | \$160,225.00          |
| Railroad Preferred Stocks.....  | 17,625.00             |
| Industrial and Miscellaneous Preferred Stocks .....   | 111,125.00            |
| Railroad Common Stocks.....   | 101,311.50            |
| Industrial and Miscellaneous Common Stocks .....  | 211,663.12            |
| Bank Stocks .....   | 399,550.00            |
| Mortgage Loans .....  | 52,083.94             |
| Loans secured by 1st Mortgages and 1st Deeds of Trust on Property valued at \$117,751.50.                               |                       |
| Real Estate .....   | 6,556.76              |
| Real Estate owned by the Company valued at \$15,220.00, carried on the books of the Company at \$6,556.76.              |                       |
| Premiums .....  | 245,716.17            |
| Premiums in hands of Agents and in course of collection, less reinsurance, return premiums and Agents' credit balances. |                       |
| Accrued Interest .....  | 23,386.74             |
| Accrued interest on Bonds and Mortgage loans.   |                       |
| Other Assets .....  | 40,650.70             |
| All other miscellaneous assets.   |                       |
| <b>Total Assets .....</b>   | <b>\$3,609,392.17</b> |

### Liabilities

|  |                       |
|--|-----------------------|
| Capital .....                                    | \$1,250,000.00        |
| Capital Stock Paid in Full.                      |                       |
| Reserves .....                                   | 1,156,355.73          |
| Reserve for Unearned Premiums ....               | \$991,070.87          |
| Reserve for Losses in course of adjustment ..... | 68,841.07             |
| Reserve for Federal and all other Taxes          | 34,659.88             |
| Reserve for all other contingencies...           | 61,783.91             |
| Net Surplus .....                                | 1,203,036.44          |
| Net Surplus over Capital and all Liabilities.    |                       |
| <b>Total Liabilities .....</b>                   | <b>\$3,609,392.17</b> |



# GENERAL AGENTS

*This cooperative goodwill campaign which explains the advantages of the General Agency plan is fostered by the General Agents whose names are listed. Each of these is a member of the American Association of Insurance General Agents. Their duties are purely supervisory.*

The value to agents of placing business through General Agencies was never more apparent than today. . . . General Agents are always willing and ready to help Local Agents with any insurance problems. . . . General Agents know their territory by being right on the ground and their knowledge saves Local Agents and their assureds dollars as well as valuable time. . . . Get acquainted with your nearest General Agent listed below. . . . You will find that contact helpful.

## ARKANSAS

COATES & RAINES, INC.  
LITTLE ROCK, ARK.

## KENTUCKY

BRADSHAW & WEIL,  
GEN. AGCY., INC.  
LOUISVILLE, KY.

## MICHIGAN

A. J. HOLSTEIN GEN. AGCY.  
DETROIT, MICH.

## CALIFORNIA

EDWARD BROWN & SONS  
SAN FRANCISCO, CALIFORNIA

## MISSOURI

J. H. GOOD  
DWIGHT BUILDING  
KANSAS CITY, MISSOURI  
Territory:  
Missouri and Kansas

## GEORGIA

A. H. TURNER  
ATLANTA, GEORGIA  
Territory: Alabama, Florida, Georgia,  
North Carolina, South Carolina,  
Louisiana, Mississippi and  
Virginia

## NEBRASKA

THE HARRY A. KOCH CO., Inc.  
INSURANCE  
OMAHA

## KANSAS

KANSAS UNDERWRITERS  
WICHITA, KANS.  
Territory:  
Kansas, Missouri, Oklahoma

## TEXAS

CRAVENS, DARGAN & CO.  
HOUSTON, TEX.  
Territory:  
Texas and New Mexico

**These General Agents Do not Compete with Local Agents—They Are in Effect Home Offices in Their Territory**

## National Board Is Considering Rule

(CONTINUED FROM PAGE 3)

immediate payment limit be raised to \$1,000; finally deciding, however, to refer the entire matter to the membership of the organization at a special meeting to be held Jan. 25.

What the attitude of the majority membership will prove to be at tomorrow's gathering, remains to be seen. Strong figures among the executives are arrayed on both sides of the question to abolish the rule or retain it. The opinion is advanced in certain quarters that a compromise may be reached, through stipulation that all claims may be paid 45 days after the date of a fire, instead of 60 days after acceptance of final loss proofs, as now. Whatever action is taken, of course, will be subject to laws of the different states.

### Relieves Pressure From Field

Quite apart from the speculative advantage that knowledge of the 60-day rule may have had in reducing moral hazard, company executives are in agreement that its application materially has relieved the pressure for speedy settlements coming from agents and brokers, thus affording adjusters opportunity to study loss papers more carefully than was possible when early settlement was urged by production departments.

If pressure of this character from both field representatives and head office chiefs could be permanently lessened the experiment of the past eight months would stand as one of the most beneficial made in fire insurance for many years.

## Answer Given to Critics of Code

(CONTINUED FROM PAGE 3)

prove true, but he asked whether there has not been considerable parading of insurance troubles in public already. He cited the action of the companies in requesting the insurance commissioners to call for a list of delinquent agents and brokers. He said the public is becoming more insurance-minded and the spotlight is likely to be turned, involuntarily, upon insurance, unless the business takes advantage of the opportunity of accepting federal assistance in correcting certain abuses.

### Composite of Grievances

The various clauses in the code represent a composite of the grievances and desires of the agents throughout the United States, according to Mr. Wolff. Some agents may object to one clause, because it would affect some privilege which they are now enjoying. He urged the agents not to condemn the code merely because they feared in one or two respects it might tread on their toes. Those who object to the code and say, "Let well enough alone," are, in effect, saying they sanction fictitious automobile fleets, the application of I. U. B. rates, group and equity rates of all kinds and other alleged abuses.

Mr. Wolff touched on section 22 of the agents' code, which would prohibit any lending agency from coercing insurance premiums. He said opposition has developed in the ranks of mortgage and real estate people and the issue will have to be threshed out.

From the code deliberations, Mr. Wolff said, there is likely to come a determination of whether the American agency system will survive, as at present, or must be changed in certain respects or must give way to another system. The governmental tender of assistance offers great hope to the business, he declared.

Four new members of the executive

board of the Chicago Insurance Agents Association were elected. They were James I. Loeb, Klee, Rogers, Loeb & Wolff; Lyman Drake, Critchell, Miller, Whitney & Barbour; Raymond Kirk, Rollins, Burdick, Hunter Company, and I. A. Grossman, Haskell, Miller, Grossman & Co.

## E. J. COLE ON CODE

E. J. Cole of Fall River, Mass., chairman executive committee National Association of Insurance Agents, in addressing the Underwriters Association of Hudson county at Bayonne, N. J., said there has been no criticism on the part of company officials of any one of the 24 sections of the producers' code. "It is all very well," he said, "to criticize anything new in a general way but in this situation, any criticism which does not carry with it some constructive suggestions for a substitute is neither helpful nor worth while."

Critics of the code method of business recovery, he declared, have not offered any constructive suggestion as to a substitute for the present plan.

The agents' association for some time, he said, has endeavored to bring about relief from unfair practices through conference, but although these parleys are always approached by all parties in the most friendly way, aside from expressions of sympathy, no real progress has been made.

It was not to be expected that any code would meet with the approval of everyone. Criticisms and comments reflect individual opinion as to the wisdom and sometimes the right of the agents' association to file a code.

The National association, in the code question, according to Mr. Cole, is confronted with the most important problem in its history.

### CONTINUE THE CONFERENCES

NEW YORK, Jan. 24.—Notwithstanding that the National Association of Insurance Agents has already filed its code, the company committees previously appointed to adjust trade controversies between the insurance companies and agents do not consider their duties at an end. The sub-committee representing the casualty and surety companies met in New York last week. Although the committee representing the fire companies has not convened recently, it has no intention, according to one executive, of ceasing to function.

"We hope these conferences will go on," one official declared. "At the time we failed to reach an agreement with the agents, the casualty and fire companies agreed to continue negotiations to correct certain matters the agents complained about. We have gone ahead with our discussions of these problems, not in relation to any code but in connection with the business itself. That is what we told the agents we would do."

### President Buckman to Speak

Clem T. Buckman, president California Association of Insurance Agents, will present the organization's view on the proposed California state and national agent's codes to groups of agents throughout the state. His meeting schedule follows: Fresno, Jan. 29; Sacramento 30th; Marysville, 31st; Napa, Feb. 1; San Jose and Watsonville, Feb. 2; Fullerton, Feb. 6, Los Angeles Feb. 7.

### Springer Seriously Ill

C. E. Springer, assistant manager of the Kentucky Actuarial Bureau, is seriously ill at a Louisville hospital. He suffered a heart attack Sunday, and a stroke Monday night. Mr. Springer went to the hospital about ten days ago for a complete rest to permit a knee tendon to recuperate from an injury suffered some weeks ago.

## E. M. Ackerman Joins Insurance Field Staff



E. M. ACKERMAN

The "Insurance Field" announces the appointment of E. M. Ackerman of Chicago and Robert Cron of Des Moines as associate editors at the home office. Mr. Ackerman formerly was with the "Insurance Field" as assistant editor in its Chicago office and as associate editor in New York City. He served as insurance editor of the Chicago "Journal of Commerce" some years ago. He is secretary of the Insurance Federation of Illinois and for the last few months has been business manager of the Illinois Association of Insurance Agents. He is resigning from these two posts to return to the "Insurance Field."

## Life Department Advantages to Local Agent Are Cited

(CONTINUED FROM PAGE 4)

centage of the business that stays on the books has a stabilizing effect on the total premium income of the office.

The life insurance salesman is constantly making new contacts and after writing life insurance on these contacts it is an easy matter to develop their other lines. The department makes it possible to increase the premiums paid to the local agent from his present clients. For example, John Doe owns his home, has an automobile and is employed by some corporation—the agent has the fire insurance on his home and the liability insurance on his automobile together with some minor lines. The life insurance department makes it possible to extend coverage to this man by writing life insurance on himself, his wife and his children if they are old enough, to qualify for regular forms of insurance.

In the case of a corporation the life insurance department can procure additional income by the sale of group life insurance, corporation life insurance, stock retirement plans, individual policies on the officers of a corporation for their personal needs, salary allotment plans to enable the employees to buy regular forms of life insurance on a payroll deduction plan and in each case where the individual is sold life insurance there is again the opportunity of securing his other lines for your office.

## L. & L. & G.'s San Francisco Premiums

Liverpool & London & Globe's San Francisco city premiums for last year are \$111,785 instead of \$11,785 as reported in last week's issue through typographical error.

Joseph Barker, president of Foster-Barker Company, Omaha agency, has been elected potentate of Tangier Shrine temple.

## National Board Suggests Special Mortgage Deal

SIMILAR TO R. F. C. SCHEME

Requests Companies to Favor Federal Home Loan Bank and Institutional Securities Corporation

Companies have been informed by the National Board that arrangements have been made with the Federal Home Loan Bank of Winston-Salem, N. C., and the Institutional Securities Corporation of New York whereby is avoided the necessity of endorsing or attaching new mortgagee clauses to policies covering property pledged as security for loans when the original mortgagee assigns the mortgage to either of these rediscount institutions. Similar arrangements were made with the Reconstruction Finance Corporation several months ago.

The National Board suggests that companies file with either of these institutions, on request, an agreement that the assignment of the mortgage interest shall not impair or invalidate the contract and that the interest of the bank will be recognized and protected. The agreement sets forth that the company waives any requirement of notification of the interest of either of these institutions in any policy issued by the company and the interest of these institutions shall not invalidate any such policy. The agreement also sets forth that in the event either institution notifies the insurer of an interest in a particular policy, the insurer shall, after the time of receipt of such notice, recognize such interest and loss, if any, then due as interest of either of the institutions may appear.

The Institutional Securities Corporation was organized by the mutual savings banks of New York for the rediscounting of mortgages. The Institutional Securities Corporation, in return, may pledge these mortgages to the RFC. Therefore, the National Board suggests that in the agreement with the Institutional Securities Corporation there be added a statement to the effect that if any conflict of interest arises as between the Institutional Securities Corporation and the RFC, because of the existence of a similar agreement between the insurer and the RFC in respect of any policies covering the premises described in any mortgage purchased by the Institutional Securities Corporation and pledged to the RFC, the rights of the RFC shall be paramount.

## Only Five Companies Sign Oakland Quid Pro Quo Pact

SAN FRANCISCO, Jan. 24.—Only five fire offices in San Francisco have to date signed the agreement submitted by the East Bay Association of Insurance Agents, the majority holding up approval until a conference is had with the agents regarding what is to be construed as an illegitimate agency in that territory. As a result President Bradley of the association has announced the time for signing by companies has been extended to April 1.

The agreement provides that companies shall not accept business from agents in the "East Bay" territory not members of the association, and the agents in turn agree not to accept business from unapproved agencies or brokerage houses, or place business with any company not a signatory to the agreement. A committee of managers is to investigate the situation with association officials to agree definitely upon so-called illegitimate agencies. Companies signing the agreement to date are the New Zealand, North British group, National Union, Security and Finn-Elbow agency companies.

# SECURITY SERVICE ECONOMY

THE purchase of insurance is motivated by the desire and need for protection against loss. To discharge this function it is fundamental that the guarantee of such protection which insurance gives be absolutely reliable.

Security of AMICO protection is assured. Investment policies, underwriting practices, and all other activities of this legal reserve, nationally-operating stock casualty carrier have been designed to provide policyholders with the safest protection possible.

Furthermore, this company maintains a coast to coast service organization that promptly brings to policyholders the benefits of the protection for which they pay, when needed. And at all times it seeks to effect worthwhile savings in cost.

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## AMERICAN MOTORISTS INSURANCE COMPANY

James S. Kemper, President

HOME OFFICE:

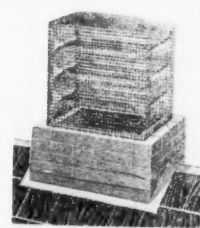
Sheridan Road at Lawrence Avenue, CHICAGO, U. S. A.

Largest Illinois Stock Casualty Insurance Company

## ATTENTION FIRE INSURANCE AGENTS:

You Can

1. HAVE FEWER LOSSES
2. MAKE EXTRA COMMISSIONS
3. WRITE MORE INSURANCE WITH



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## NATIONAL SPARK ARRESTERS

The National Spark Arrester, one style of which is shown above, permits the passage of all smoke and fumes, but stops burning soot and sparks, preventing fires from these causes. (Approved by the Farm Underwriters Assoc.)

### WHEN YOU SUPPLY YOUR ASSURED WITH NATIONAL SPARK ARRESTERS

1. YOU HAVE FEWER LOSSES because from 40% to 50% of all farm fires are caused by sparks on roofs.
2. YOU WRITE MORE INSURANCE because your clients earn a lower rate by equipping with National Spark Arresters; lower rates mean more business.
3. YOU MAKE EXTRA COMMISSIONS because you can sell more policies and because we pay you for your trouble in handling the order and credit for your assured.

WRITE for information and prices . . . you can profit whether you have 10 risks or 10,000.

**NATIONAL SUPPLY & SERVICE CORP.**  
CRAWFORDSVILLE, INDIANA

Member N. F. P. A.

### LOOK WHAT THESE COMPANIES DID . . .

... by installing National Spark Arresters . . . our losses dropped from \$30,000 down to \$7,961."

"... have used 25,000 National Spark Arresters . . . should pay for themselves in 15 months."

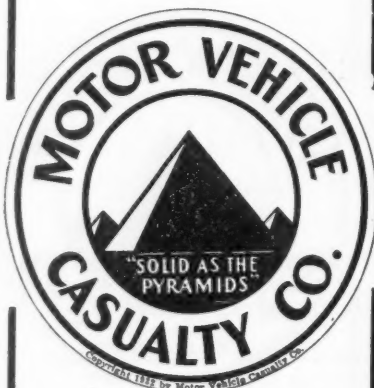
"... known losses from spark on roof . . . 1932—\$56,217, 1933—\$17,049 . . . we show a reduction of 69.6% in losses with two-thirds of our roofs equipped."



Under same management for  
19 years.

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A STOCK AUTOMOBILE  
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as Motor Vehicle Underwriters  
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## AS SEEN FROM CHICAGO

### INSURANCE WELL REPRESENTED

Insurance was well represented at the Chicago Rotary Club's business recovery exposition. The Aetna Fire had a booth with W. N. Achenbach, manager of the western department, in personal charge. The Lumbermen's Mutual Casualty had a booth with J. S. Kemper, president; H. G. Kemper, executive vice-president, and W. C. Beem on hand at various times. The Western Actuarial Bureau's display was in charge of R. E. Vernor, manager, fire prevention department, and H. K. ("Smoky") Rogers. "Smoky" reported that he autographed more than 1,400 copies of his "Story of Old Man Fire" for children in one day of the exposition. He had the famous fire truck on display which he has used in putting on his clown act before thousands of school children. In the last two years he has autographed and distributed a half million copies of his story.

The Federal Life, Equitable Life of New York and Massachusetts Mutual Life also had displays.

### WITH GIRARD 45 YEARS

Carl A. E. Hoest on Jan. 23 celebrated his 58th birthday and his 45th year in the services of the Girard F. & M. At present he is superintendent of the survey department in the western office of the Firemen's in Chicago. He started as an office boy and later traveled in various fields for 26 years. He was taken into the western department office three years ago. A son, R. E. Hoest, travels for the Firemen's in Cook county.

### NEW QUARTERS OPENED

The Western Insurance Agency of Chicago and the John E. Huff Co. agency have moved into new and larger quarters on the 14th floor at 330 South Wells street and Saturday a buffet luncheon was served to friends in company and agency ranks. The Western Insurance Agency is operated by L. S. Hanchek and W. T. Peters, and represent the American Surety, Union of Indiana and Commercial Casualty. Mr. Huff represents the Firemen's and Baltimore American, he being a class 1 member of the Chicago Board. Mr. Hanchek is applying for class 1 membership and the plan is to conduct the two agencies in even closer conjunction.

### VICTOR NELSON IS HONORED

V. M. C. Nelson of Chicago, chief accountant in the western department of the Hanover, celebrated his birthday anniversary Tuesday. It was an eventful day because just 40 years previously, Jan. 23, 1894, he became connected with the western department of the Hanover, going in the accounting department. He is now one of the chief cogs in its machine. In honor of the dual event the officials at the head office in New York all signed a letter congratulating him and paying fine tribute to his long years of faithfulness and intelligent work. Accompanying the letter was a complete set of Wilson golf clubs, there being a dozen in all. "Vic" Nelson is now sending out challenges for golf games at the Park Ridge Country Club.

### POLICY ON BANK AGENCIES

The Illinois department has clarified its position on bank agencies. Any officer or employee of a bank can be licensed as agent but the bank must not participate in the agency's commissions or profits in any way. The department requires an affidavit that the person licensed understands that his employer cannot have any direct or indirect interest in the business. The department states that the employer shall not re-

ceive any part of the commission or brokerage through salary adjustment or otherwise. No other employee on the payroll can assist in the insurance end and no service can be rendered by the employer. The department does not require that the licensed employee have an office separate from the bank office.

### PALMER TO ADDRESS BROKERS

Insurance Director Palmer of Illinois is scheduled to address the Insurance Brokers Association of Chicago at that organization's quarterly meeting, Jan. 26. This will be held in the Chicago Board's auditorium starting at 3 p. m. The brokers will discuss the new National Association of Insurance Brokers, fictitious automobile fleets and other current questions.

### BLUE GOOSE DINNER DANCE

A Valentine dinner-dance will be given by the Illinois Blue Goose Feb. 10 in the Red Room of the Hotel La Salle. Tickets will sell at \$2 per plate. There will be no speakers but a program of entertainment is planned. John Chickering, Sun, is chairman of the committee in charge. C. W. Ohlsen of the Sun is most loyal gander of the Illinois pond.

### DISCONTINUES LIFE DEPARTMENT

Direct representation of the Midland Mutual Life of Columbus, O., is being discontinued by the Youngberg-Carlson agency of Chicago, and Frank E. Nelson of that agency, who has been in charge of the life department, is opening an office of his own on the same floor with Youngberg-Carlson in the Insurance Exchange.

### L. L. BUCHANAN RETIRES

L. L. Buchanan, vice-president and manager of the central department of the Sanborn Map Company, has retired from active duties after completing 43 years of active service, 23 of which as head of the office in Chicago. His successor is K. B. Buchanan, whose service with the company covers 21 years. Prior to his being transferred to the Chicago office in charge of field work, he was manager of the St. Louis branch. His service also covers association with the home office in New York City.

### YOUNG FETZER TO MARRY

Wade Fetzer, Jr., son of the head of the W. A. Alexander & Co. general agency, Chicago, is to be married Feb. 3. The bride-to-be is Miss Florence Otis, daughter of Mr. and Mrs. Ralph Chester Otis. Mr. Otis is a retired investment and real estate man of Chicago, who was one of the founders and first president of the Chicago Trust Company. Miss Otis attended the Chicago Latin School for Girls and the Farmington school in Connecticut. She is active in the Junior League and Service clubs. Mr. Fetzer attended Asheville School in Asheville, N. C., a preparatory institution, then spent a year at Haverford in Pennsylvania, later being graduated from Northwestern University, where he majored in economics. He is a C. L. U. who is associated in management of Alexander & Co.'s life department. He entered the agency in 1925 as a life agent. Five years ago he became interested in the supervisory end. He is an amateur flyer with 130 hours in the air and has owned his own sport plane for some time.

### ANTHONY MATRE DIES

Anthony Matre, 67, who was formerly president of the Marquette National Fire of Chicago, died last week in the Elmhurst, Ill., hospital following an automobile accident. Since leaving the insurance field Mr. Matre was

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at St. Mary's Mission, a Catholic theological seminary at Techny, Ill., where he was professor of public speaking. Mr. Matre was one of the most eminent laymen in the Catholic church, being a Knight of St. Gregory. He was a founder of the American Federation of Catholic Societies. The funeral service was held Saturday, Bishop Sheil of the Chicago diocese preaching the sermon and Bishop E. F. Hoban of the Rockford diocese singing the requiem mass. One of his sons, Frank J., who was associated with the Marquette National and Pittsburgh, is now connected with A. M. Best Co. The father was chairman of the board of the Pittsburgh and F. J. was president.

**T. Gerald Wagner**, treasurer of Meeker-Magner Company, Chicago, is vacationing in Miami Beach, Fla., for a month.

**United States Manager P. Beresford** of the Phoenix of England group was in Chicago last week.

**H. M. Hansen** has resigned as a class 1 member of the Chicago Board, being succeeded by **R. B. Carlson**. Mr. Hansen becomes a class 3 member. **B. F. Rogers, Sr.**, of Klee, Rogers, Loeb & Wolf, resigned as a class 1 member as he is retiring from business. He is a former president of the Chicago Board.

### Agents, Field Men, Directors at Ohio Farmers Meeting

The annual meeting of the Ohio Farmers and of the Ohio Farmers Agents Association was held in the home office city of LeRoy, O. There was a large turnout of agents, special agents, officers and directors. The annual statement, on market values as of Dec. 31, 1933, showed assets \$3,971,795 and surplus \$1,215,604. The loss ratio was about 43 percent.

**F. H. Hawley**, in his presidential message, reviewed the successful operations of the company. The response was by **Claude Canfield**, retiring president of the Ohio Farmers Agents Association.

Other talks were made by Vice-President **C. D. McVay**, Secretary **J. C. Hiestand**, **E. K. Schultz**, general agent at Philadelphia, **Sidney Perrin**, manager of the New York metropolitan district, and a number of other agents including **Paul Fritzing**, **W. B. Hilliard**, **L. F. Allen**, **L. E. Burgner**, **Karl Dakin** and **Will Hayes**.

The ivy trophy, which is a bronze plaque of the Ohio Farmers insignia of the old man on the fence, was presented by Mr. McVay to **Will Hays** of Marietta, the southeastern district of Ohio having shown the best results.

The Players club of LeRoy staged a three-act comedy for the guests and afterwards there was a dance.

**Paul Fritzing** of Ashland is the new president of the agents' association. The vice-president is **Morris Taylor**, Hamilton; secretary, **Frank E. Kirkpatrick**, Columbus. The executive committee consists of **Frank Murphey**, Athens; **Carl Ike**, St. Mary's, and **P. K. Paden**, Port Clinton.

Memorial resolutions were adopted in behalf of associates who died during the year, they being **A. I. Vorys**, Columbus, director; **Sidney Reynolds**, assistant secretary; **Horace Chapman**, advertising manager; **Walter Hines**, agent of Cadiz, O., and **T. A. Boyle**, Circleville, O.

### Holds "Casualty" Includes Fire

**DES MOINES, Jan. 24.**—Statutory prohibitions against rebating or other discriminations in writing life, health and accident and "casualty" insurance, as defined by the Iowa code, are held to include fire insurance in an opinion of Attorney General **O'Connor** to Commissioner **Clark**.

The attorney general specifically held that the term "casualty" insurance applies to fire insurance as well as usual casualty insurance.

### Traces the History of Fire Insurance Rating

**Clem E. Wheeler**, associate western general agent for the Hartford Fire, in addressing the meeting of the Association of Fire Insurance Examiners of Chicago, traced the history of fire insurance rating from the year 1709 to the present.

In fire insurance, he pointed out, there are difficulties and peculiarities as to rates that make the question particularly important. With insurance companies, where the premium is collected in advance, the anomalous condition arises, that a price must be set to pay for something that has not happened, and may not happen at all. The final cost of any form of insurance cannot be accurately determined; the business has within itself an element of uncertainty. This fact furnishes the ground for continual argument, as to the cost of insurance.

#### Rating History Summarized

He summarized the rating history in America, thus:

In 1752, the Philadelphia Contributionship was organized, the first insurance company in America, using the English classification system.

There was a steady development of rating principles up until 1845.

The great fires of 1835 and 1845 in New York City brought about increased cooperation between companies. Rates were increased and the beginning of schedule rating was to be noticed in the charges and credits made for various hazards and protective devices.

The Chicago fire of 1871 was a test period for the newly founded National Board of Fire Underwriters. Local boards were organized throughout the country in the interest of fire protection and rate making.

#### Aubin Schedule Published

In 1876, the first schedule attempting a measurement of fire hazard was published, known as the Aubin schedule.

In 1901, the Universal Mercantile schedule was compiled. Adaptations of this schedule are used in a goodly portion of the United States. All charges are flat and this schedule is the first to give a more elaborate treatment of the exposure problem.

The analytic system conceived by **A. F. Dean** and developed by **J. V. Parker** and associates, is the most scientific and analytic schedule in existence. The outstanding feature is the percentage charge which insures a fair and relative charge for deficiencies, occupancy and exposure.

The experience grading and rating schedule stressing the thesis that the experience of the companies is the true foundation for rate making, and the L. & L. rating system with its burning degree features have both contributed to rate making history although neither schedule has been put into use in the United States.

**Mr. Wheeler** said that present attainments in rating should not be regarded as a final result but merely as a foundation on which to build. As business changes, fire insurance rates will be obliged to adapt themselves and so rates can never reach a finality.

### Missouri Department Changes

Superintendent **O'Malley** of Missouri has named **J. F. Allebach** of Kansas City as assistant counsel in the Missouri department.

**John Gillespie** has been appointed to succeed **Owen Jackson** as financial agent for the department in St. Louis.

### Hazard of Pre-Heaters

**J. J. Fitzgerald** of Indianapolis, in the publication of the Mutual Forum Publishing Company, states that torch pre-heaters used in starting internal combustion engines of the semi-Diesel type have been the cause of several fire losses and personal accidents in mills and elevators. These are attributed usually to the use of gasoline in torches designed to burn kerosene. **Mr. Fitzgerald** recommends use of neolite, a high test kerosene. Where pre-heating is used, a fixed device is preferable to the various types of portable torches.

### Many Unprotected Risks Are Improperly Written

The practice of writing unprotected properties at protected rates has become prevalent, particularly in Illinois, the governing committee of the Western Underwriters Association finds. Therefore, an ultimatum has been delivered to companies, that fines will be imposed for such risks, which existed Jan. 1, and have not been corrected by March 1.

The subject was brought to the attention of the Illinois Fire Underwriters Association, at their mid-year meeting in Peoria last week.

Many of these unprotected properties that are improperly written are those that are located just outside the corporate limits of cities. The agents have been letting many of these properties

### Dogs, Liquor, Insurance All Sold by New Agency

The Great Lakes Trading Company, recently incorporated in Detroit, is evidently vying for the record in assortment of franchise functions. It is licensed to deal in real estate, liquors, automobiles, dogs and insurance. Offices are in the Griswold building and **D. G. Herndon**, **Robert Herndon** and **Ella Tremaine** are the incorporators.

get by at protected rates and the companies are now determined to draw the line sharply at the corporate limits.

### Brandt Gets Transcontinental

**W. B. Brandt & Co.**, San Francisco all-risks and inland marine office, has been appointed general agent for the Transcontinental, formerly represented there by the California Agencies.

The North River declared its regular quarterly dividend of 15 cents a share and an extra dividend of 10 cents a share.



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AND SQUARE DEALING SINCE 1710

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## PERSONAL SIDE OF BUSINESS

O. T. Klepinger, Houston, Tex., for 30 years in the field for the New York Underwriters, but recently retired because of the loss of his sight, has undergone an operation which has been successful to the extent that it has brought a partial restoration of his sight.

Elof Peterson, retired farm manager for the Fidelity-Phenix, suffered a heart attack while visiting a friend in a hospital in Chicago and Mr. Peterson is now confined there. His condition is reported to be critical.

C. M. Purmort of Van Wert, O., president of the Central Manufacturers Mutual, has had a flood of correspondence since it was reported that he might seek the Republican nomination for Congress from his district. The fact is that Mr. Purmort intends to stick closely to his insurance office. His brother, C. A. L. Purmort, who was formerly an official of the Central Manufacturers Mutual, is a candidate for Congress from the fifth district.

Hugh Philips, now president of the Vermont Mutual Fire of Montpelier, has been in the insurance business for 43 years. He was vice-president of the Vermont Mutual for many years before becoming president and for the last several years while vice-president was the active managing director. Mr. Philips took the lead among the mutuals there in collecting advance premiums for farm business.

E. H. Mulock of Hopkins & Mulock, Des Moines local agents, who is serving as Iowa civil works administrator, has received the 1933 Des Moines community service award, presented annually to the person in the city, who, in the opinion of the community award jury, served the community most unselfishly and outstandingly during the year.

Alfred Stinson, vice-president of the Automobile of Hartford, attended the annual meeting of the Iowa Fire in Waterloo, Tuesday. The Iowa Fire is a member of the Aetna Life group.

B. N. Carvalho of Hartford, president of the Metropolitan Fire Reassurance and first vice-president of the Russia, has been making a literal flying trip throughout the south and west as far as Denver, then through the middle west, all by airplane. In the entire trip Mr. Carvalho figures that he saved \$48 and eight and one-half days. He never travels by air unless it is over a regular commercial line. For instance, he was able to complete his business in Philadelphia, Washington, D. C., and Richmond in one day by using the airplane service.

Mr. Carvalho recently completed 25 years service with the Russia. He is the son of the late David Carvalho of New York City, the most famous handwriting expert in the country in his generation. When B. N. left Columbia he joined his father in his work and was with him for five years. The son concluded that a handwriting expert was born and not made. His father was almost a sure fire shot from a handwriting opinion. His genius lay in detecting forgeries because of too precise similarity with the original. Regardless of the fact that B. N. himself could not qualify as an expert, at the same time he is frequently called on in Hartford for an opinion on handwriting by banks and other institutions. He has been able to assist on a number of occasions in passing on signatures or text because of his early training in his father's office. When Mr. Carvalho left his father's employ he went to Huntington, Mass., in a woolen concern and later became

its secretary. Subsequently there was a change in management and he sought the assistance of a man in New York to secure a position. Among the references he gave was Carl F. Sturhahn, who had married Mr. Carvalho's sister. Mr. Sturhahn had not known that Mr. Carvalho desired a change and when he was called upon for a reference he suggested to Mr. Carvalho that as W. C. Scheide, who had conducted a brokerage business in New York, had become United States manager of the Prussian Life, it would be well for Mr. Carvalho to enter the Scheide office, as another man would be needed, which he did. Later on, in connection with his brokerage work, he was suburban special agent for the Northwestern National. The brokerage firm of King, Scheide & Co. was organized and Mr. Carvalho continued with it until Mr. Sturhahn called him to his colors 25 years ago. Mr. Carvalho with his versatility, and engaging personality, has made a legion of friends.

R. F. Wirthwine of the Cincinnati agency of Harkness & Wirthwine died early Sunday morning at his winter home in St. Petersburg, Fla. He was on his way from St. Petersburg to Cincinnati when he became ill, was forced to leave the train at Tampa, where his wife joined him and took him to St. Petersburg, where he sustained another attack. He was 56 years of age and had been engaged in the business with A. S. Harkness for 32 years. The firm has been general agent of the Maryland Casualty for the last 30 years and celebrated its anniversary with that company Jan. 1. Funeral was held Thursday in Cincinnati. Mr. Wirthwine's home was at Wyoming, O., a suburb.

F. R. Loydon, an insurance man for half a century and at the time of his death with the Aetna Fire, died at West Hartford, Conn., after a long illness. He was employed for 10 years by the Connecticut Mutual Life, leaving in 1892 to become Connecticut agent for the United States Mutual Accident. He became general agent for the Travelers in 1895, and state agent for Connecticut in 1897. He remained with the Travelers, with the exception of a year, until 1928, when he joined the Aetna Fire's clerical department.

John J. Jasper, who resigned as managing editor and director of the "Insurance Field," has been appointed advertising manager of the Brown-Forman Distillery of Louisville. Since retiring from his official position with the "Insurance Field" Mr. Jasper has carried on his usual activities with the editorial department, pending rearrangement of the staff. He will take up his new duties with the distillery company Feb. 1. The Brown-Forman Co. is one of the most important distilleries in the United States and except for the prohibition period has been in continual operation for more than 60 years, being now under the management of the third generation of the family of G. G. Brown, its founder. Its pre-prohibition products, "Old Forester" and "Early Times," were considered the highest type of Kentucky bourbon. Mr. Jasper, who was educated at the University of Chicago and served several years in the army during the world war, entered the advertising business in Louisville after several years' experience with daily newspapers. He joined the staff of the "Insurance Field" in 1925, was for several years associate editor in New York City and served as managing editor from 1928 to the end of 1933.

John A. Lloyd, 64, former president of the Columbus Fire and for many years prominent in insurance circles of Meridian and Columbus, Miss., is dead.

## All Need to Do Some Thinking

THE filing of a code of fair practices under the NRA at Washington, D. C., by the NATIONAL ASSOCIATION OF INSURANCE AGENTS is fraught with uncertainty and perhaps danger. This, we believe, its own officials recognize but in the final analysis they concluded that the step had to be taken. The mere fact that men at the head of this great organization deemed it incumbent on them to file the code, making certain stipulations that they regard as fundamentally protective to their particular department of the business, causes us all to sit up and take notice and do some thinking ourselves. There is always a great element of danger in surrendering regulation and control to a government. We are in an era of great change and we will all have to raise our sights and accustom ourselves to times and conditions that we have never before experienced. Be that as it may, there are certain considerations brought out in the reasons for filing the code that deserve most earnest consideration of company officials and, in fact, everyone directly connected or allied with insurance.

The local agents acknowledge that there are certain rights sovereign to the companies. The latter must be protected in their special exclusive domain. To attempt to intrude on or hamper them, to curtail their rights would be not only an injustice but a disintegrating process. Applying the same argument, local agents rightfully claim that there are certain sovereign privileges in their particular field that all should recognize and they feel they should have the sheltering arms of the companies thrown about them. The agents find that in recent years through various movements and enterprises, their control of the resident business in their community is gradually being weakened. They have had to step aside time after time and see risks diverted to other channels and thus their income reduced.

The companies probably unconsciously, in the effort to protect themselves against inroads, have allowed practices to develop that tend to undermine the agency system. The agents appreciate

the fact that the strictly orthodox and conscientious companies are confronted with serious and vexing problems in competition with so-called outside or non-conformist offices. The outsiders have an advantage in not being bound to rules and pledges and not having to pay organization expense. Then agency companies find themselves pitted against non-agency institutions where the question of acquisition cost becomes a factor. Faced with this cross fire the companies themselves have not seen a clear way out. We do not believe that the companies have voluntarily intended to unduly circumscribe the agents or to infringe on their rights. At the same time, the agents at times have not received the consideration that they deserve and when they saw their own income being gradually whittled away they became suspicious as to the intentions of their own companies.

The filing of the code therefore brings to the front an issue that is paramount. Is the present agency system to survive? Is it possible for the orthodox companies, the organization companies, to stand up under the opposition and yet properly protect the agents so that the latter can live comfortably and satisfactorily? Perhaps there are practices that have grown up among the orthodox companies themselves that could be greatly modified to the advantage of the agents. A very prominent agent in writing to THE NATIONAL UNDERWRITER states the following:

"I know that as far as the great majority of legitimate, service-giving agents is concerned conditions cannot go on as in the past two or three years and allow more than a very few of those agents to remain solvent. I personally cannot continue to conduct my insurance business, representing organization companies very much longer on the basis of the past. Unless competitive conditions are made better by the companies themselves I am going to search for some other line of business endeavor."

That paragraph is pregnant with meaning. We all need to do a lot of thinking.



PROVED BY THE ACID TEST OF TIME

## The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY  
 AMERICAN EAGLE FIRE INSURANCE COMPANY  
 FIDELITY-PHENIX FIRE INSURANCE COMPANY  
 FIRST AMERICAN FIRE INSURANCE COMPANY



## of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY  
 MARYLAND INSURANCE COMPANY OF DELAWARE  
 THE FIDELITY AND CASUALTY COMPANY  
 ERNEST STURM, Chairman of the Boards  
 BERNARD M. CULVER, President

Eighty Maiden Lane.

New York, N.Y.

NEW YORK — CHICAGO — ATLANTA

SAN FRANCISCO — DALLAS — MONTREAL

# STRENGTH SERVICE CHARACTER

(STATEMENTS AS OF DECEMBER 31, 1933)

|                          | Gross Assets* | Reserve for<br>Unearned<br>Premiums | Reserve for<br>Losses and<br>All Other<br>Claims | CONTINGENCY<br>RESERVE† | Cash Capital | SURPLUS FOR<br>POLICYHOLDERS |
|--------------------------|---------------|-------------------------------------|--|-------------------------|--------------|------------------------------|
| Continental.....         | \$70,633,525  | \$20,619,095                        | \$6,532,410                                      | \$6,272,677             | \$4,873,990  | \$37,209,343                 |
| Fidelity-Phenix.....     | 55,531,070    | 16,491,942                          | 5,474,048  | 5,871,467               | 3,464,825    | 27,693,613                   |
| Niagara.....             | 19,344,044    | 5,449,146                           | 1,458,435  | 1,071,473               | 2,000,000    | 11,364,990                   |
| American Eagle.....      | 11,471,933    | 3,433,816                           | 988,247  | 235,019                 | 1,000,000    | 6,814,851                    |
| First American.....      | 3,641,951     | 841,310                             | 193,276  | 170,322                 | 1,000,000    | 2,437,043                    |
| Maryland.....            | 2,408,522     | 335,231                             | 84,152   | 199,031                 | 1,000,000    | 1,790,108                    |
| Fidelity & Casualty..... | 33,798,363    | 10,500,392                          | 16,142,752                                       | 2,902,615               | 2,250,000    | 4,252,604                    |

\* Bond and Stock valuations on basis approved by National Convention of Insurance Commissioners.

† Contingency Reserve, representing difference between value carried in assets and actual December 31, 1933 market quotations on all bonds and stocks owned.

Again, America Fore statements show the strength and stability of The America Fore Group. They also reflect careful management and intelligent underwriting - which justifies the confidence shown in The America Fore Companies by the agents and brokers who have favored us with their business.

Chairman of the Boards.

# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Indiana Day Card Completed

M. P. Cornelius, Allan I. Wolff, Commissioner McClain, Governor McNutt Are on Program Jan. 30

A wide range of subject matter will be covered by outstanding speakers during Indiana Insurance Day in Indianapolis Jan. 30.

C. O. Bray, special agent for the Hartford Fire, who is president of the Insurance Federation of Indiana, will preside over the morning session. R. G. Hastings of Washington, Ind., vice-president Indiana Association of Insurance Agents, will discuss the value of association membership.

M. P. Cornelius, executive vice-president of the Continental Casualty, will speak on the outlook for casualty underwriters in 1934, and C. A. Cook, Indiana farm state agent for the Fidelity-Phenix, will speak on present day farm underwriting opportunities.

#### Wolff Is Scheduled

Allan I. Wolff of Chicago, president National Association of Insurance Agents, will talk about the insurance code.

The luncheon speakers will be Governor McNutt of Indiana and E. B. Thurman, general agent for the New Frank M. Chandler trophy will be presented at that time by R. C. Griswold, chairman of the trophy committee.

Mr. Griswold, who is Indiana branch manager for the Aetna Casualty, vice-president of the Insurance Federation and general chairman of Indiana insurance day, will preside at the afternoon session. The speakers will include Vincent Cullen, president of the National Surety, who will discuss the NRA and bond opportunities. Fred V. Chew, associate professor insurance and investments Indiana University, will talk on recent developments and insurance. A. C. Allen, secretary P. K. Morrison & Co. of Muncie, will discuss servicing insurance accounts.

Later in the afternoon an open forum session will be conducted on local agency book-keeping, accounts and collections. The co-chairmen are S. A. Bishop, cashier Indiana branch Travelers, H. J. Gescheidler, manager Hammond National Company, Hammond, Ind., and Albert J. Wohlgemuth, vice-president-treasurer the Rough Notes Company.

The annual meeting of the Insurance Federation will be held at 5 p. m. and an address will be made by Commissioner McClain of Indiana. There is a possibility that Mr. McClain may be scheduled to address the luncheon session instead. The likelihood is that H. A. Luckey, Indianapolis manager for the Life of Virginia, will become vice-president of the federation and chairman of next year's insurance day.

### Dorsey Des Moines President

DES MOINES, Jan. 24.—Sam W. Dorsey, former secretary-treasurer of the Des Moines Underwriters Association, was named president at its annual meeting, succeeding John T. Christie.

Other officers named were: Fred Swanson, first vice-president; Kenneth May, second vice-president, and Wayne Dailey, secretary-treasurer. Directors are Chester E. Ford, E. E. Crawford, Carl Stewart, Jack Ahrold, Frank Flynn, R. M. Evans, Mr. Christie and Dan McEniry.

### Port Huron Agent Is Dead

John S. Wittliff Established His Business in 1905—Two Sons and Daughter Continue Office

John S. Wittliff of Port Huron, Mich., founder of the Wittliff Insurance Agency in 1905, died last week at his home at the age of 63. He was a former postmaster of Port Huron. He is survived by Mrs. Wittliff, three sons and three daughters. He was born Dec. 20, 1870, near Anchorville, Mich. In 1877 the family moved to Marysville, Mo., and six years later returned to Michigan, locating in Port Huron. After he established his agency, he took over the Harvey Bush, Palmer I. Carson, Wilson & Co., and the Percival agencies. He became ill some months ago and the agency was taken over by his sons, Edmund J., and John S., Jr., and a daughter, Catherine A. They will continue the operation of the business. The oldest son, Frank J., is a well known adjuster at Port Huron.

### Wolff Addresses Agency Gathering at Rockford, Ill.

About 70 agents from Winnebago county turned out for a general meeting of the Rockford, Ill., Board, which was addressed by F. S. Dauwalter of the Liverpool & London & Globe in Chicago, and a number of agency headliners, including Allan I. Wolff, president National Association of Insurance Agents.

Among the other special guests were Alvin S. Keys, Springfield, president Illinois Association of Insurance Agents; Rockwood Hosmer, chairman of the board, Frank Chandler, chairman membership committee and E. M. Ackerman, executive secretary Illinois association. And there was Harry Seaman, who is connected with the Illinois insurance department at Chicago. Mr. Dauwalter talked on mutual and reciprocal competition and Mr. Wolff discussed various considerations in connection with the insurance code question. Mr. Keys expressed opposition to adherence to the 60 day loss payment clause and also talked about agency organization work.

R. C. Wilson of Rockford presided. Rockford people had invited to the dinner agents from other points in Winnebago county.

A number of regional meetings are being planned by the Illinois Association of Insurance Agents.

### Wisconsin Fund Attacked

MADISON, WIS., Jan. 24.—A drive against the Wisconsin state fire fund has again been started in the Wisconsin legislature, this time in connection with an investigation of the economy committee. The criticisms are mainly those brought up against the fund by local agents who last year sought to emasculate it by having it confine activities to state buildings only. Allegations against the state fund included the fact that it has on its hands frozen assets in the form of state buildings which were erected with funds loaned by the insurance moneys in the state fund; that private loans were made to politicians, former political figures, and their relatives and friends; that unsafe buildings are insured in the fund, and that there is a lack of inspection.

Confronted with the statements Commissioner H. J. Mortensen declared

## In New Connection



JOHN F. ANKENBAUER

John F. Ankenbauer is becoming associated in the Thomas E. Wood and Cincinnati Insurance Agencies.

Mr. Ankenbauer has been with Albert W. Shell & Co. in Cincinnati since 1920 as secretary. His start in the insurance business was in 1911 when he became secretary of the Cincinnati Fire Underwriters Association. He was president of the Ohio Association of Insurance Agents in 1929 and president of the Cincinnati Fire Underwriters Association in 1931.

In his new connection with Mr. Wood he will act in an active advisory capacity for the four agencies in which Mr. Wood is interested. These include offices in Dayton and Cleveland and the two agencies in Cincinnati. Last October the G. A. May Insurance Agency changed its name to the Cincinnati Insurance Agency and moved to quarters next to the Wood Agency. G. A. May is president of the new agency. Mr. Wood is secretary-treasurer and Mr. Ankenbauer will be vice-president.

Mr. Ankenbauer is well known to the insurance fraternity in general and is author of the book "Inter-Insurance," which has been widely distributed.

them a repetition of the complaints made wherever the state fund is considered in competition with local agents on a risk.

The state fire fund has been asked to send representatives to Racine, Wis., Jan. 26, to discuss prospects of placing public buildings there with the Wisconsin fire fund.

### Insurance Course Continued

CLEVELAND, Jan. 24.—Another insurance course will be given at Fenn College by Clayton G. Hale, commencing the second week in February, on "Problems of Property Insurance."

### Madison Schools to State Fund

MADISON, WIS., Jan. 24.—Fire insurance on Madison schools will be placed with the state fund instead of private companies. About one-third of the total insurance of \$2,822,916 expires this year, and this will be placed in the state fund.

H. H. Bush and John Haley, representing the Madison Board, appeared before the school board as speakers in favor of private insurance. Mr. Haley pointed out that there are 50 local agents in Madison and that with their families and employees there are 800

people depending on the insurance business for their living. He asked the same consideration as is given to other business where there is no state competition.

### Remarkable Fire Loss Record

With a per capita fire loss last year of only 4 cents, Two Rivers, Wis., a city of approximately 10,000 population, established a record that will be hard to beat. Fire Chief Rahn, in his annual report, disclosed that the losses of the city by fire in 1933 amounted to only \$401.50, in 46 actual fires. Chief Rahn stresses the point that the citizens of Two Rivers are "fire-minded," this fact being borne out, he says, during Fire Prevention Week last year, when 1,854 residences were inspected and only 34 defects found. In the past six years, Two Rivers has had an average per capita fire loss of 66 cents.

### School Insurance Fund Bill

Iowa agents are aroused by a bill, which has been introduced in the legislature of that state, authorizing independent school districts in cities of 40,000 or more to establish sinking funds for the repairing or replacing of property damaged by fire, windstorm or explosion. The bill provides for a levy of .2 mill on the dollar until the fund is adequate. Until the fund is adequate, insurance in commercial companies must be carried.

### Mill Mutuals Promote Maxson

KANSAS CITY, Jan. 24.—A. C. Maxson, formerly at Ottawa, Kan., and then at Joplin, Mo., as special agent of the Mill Mutuals for seven years, has been appointed Kansas state agent. He will continue to supervise Joplin territory in addition to his work in Kansas.

### Agent's Surety Liable

The obligee is entitled to judgment against a surety, who was induced to sign a bond by reason of the forged signature of another surety. This was decision of the Kansas supreme court in Great American vs. O'Neal et al.

The bond was given by an applicant for an agency, who was taking on the representation of the Great American, as a condition precedent to appointment. The bond was delivered to the Great American, which did not have knowledge of the fraud. The supreme court held that forgery of the name of the purported surety does not relieve the surety who admits the execution of the bond.

### Iowa Loss Total Lower

In an advance report on Iowa 1933 fire losses, State Fire Marshall Strohm gives the 1933 figure as \$4,838,790 against \$6,626,965 for 1932, a decrease of \$1,788,175. It is the lowest in ten years.

Des Moines, Cedar Rapids, Clinton, Dubuque, Fort Dodge, Iowa City, Marshalltown, Mason City, Ottumwa, Sioux City and Waterloo all show appreciable reductions.

### Investigation Is Launched

A John Doe investigation of the important financial, real estate and insurance firm of Chris Schroeder & Son Company of Milwaukee is being conducted in the courts of that city. The petition for investigation was presented by the district attorney on a complaint which alleges embezzlement of \$31,500 of funds of the Hotel Duluth.

B. A. Lehnberg, who is vice-president of the agency and is president of the Milwaukee Board, said that the Schroeder & Sons office is like a bank in that



# LOYALTY GROUP

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d Vice Pres. W. W. POTTER, 2d Vice Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

### CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board  
 HENRY M. GRATZ, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d Vice Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board  
 W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.  
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President  
 NEAL BASSETT, Vice President

## UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board  
 J. SCOFIELD ROWE, Vice Chairman  
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President  
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

## THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board  
 H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President  
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres.

## COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

**WESTERN DEPARTMENT**  
 844 Rush Street, Chicago, Illinois  
 HERBERT A. CLARK, Vice President  
 H. R. M. SMITH, Vice President  
 JAMES SMITH, Secretary

**CANADIAN DEPARTMENT**  
 461-467 Bay St., Toronto, Canada  
 MASSIE & RENWICK, Ltd., Managers

**EASTERN DEPARTMENT**  
 10 Park Place  
 NEWARK, NEW JERSEY

**PACIFIC DEPARTMENT**  
 220 Bush Street,  
 San Francisco, California  
 W. W. & E. G. POTTER, 2nd Vice Presidents  
 FRED W. SULLIVAN, Secretary  
**SOUTH-WESTERN DEPARTMENT**  
 912 Commerce St., Dallas, Texas  
 OLIN BROOKS, 2d Vice President  
 BEN LEE BOYNTON, Res. Vice President  
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

# Announcing

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## GRANT W. NICHOLS

AS STATE AGENT FOR OHIO

### GULF INSURANCE COMPANY

(Affiliated—Atlantic Insurance Co.)

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Writing Fire, Tornado and all Forms Automobile

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## R H O D E I S L A N D INSURANCE COMPANY

31 CANAL STREET  
PROVIDENCE, RHODE ISLAND

Statement July 1, 1933

### ASSETS

|  |                       |
|--|-----------------------|
| Stocks and Bonds.....                  | \$3,775,702.66        |
| Cash in Banks.....                     | 196,001.20            |
| Agents Balances Outstanding.....       | 414,635.77            |
| Accrued Interest and Other Assets..... | 57,842.54             |
|  | <u>\$4,444,182.17</u> |

### LIABILITIES

|   |                       |
|---|-----------------------|
| Reserve for Unearned Premiums.....                              | \$1,290,220.95        |
| Losses in Course of Adjustment.....                             | 156,758.00            |
| Reserve for Taxes, Expenses, and all other<br>Liabilities ..... | 556,028.43            |
| Reserve for Contingencies.....                                  | 749,223.50            |
| Capital Stock .....   | \$1,000,000.00        |
| Net Surplus beyond all<br>Liabilities .....                     | 691,951.29            |
| Surplus to Policy Holders.....                                  | <u>1,691,951.29</u>   |
|   | <u>\$4,444,182.17</u> |

NOTE: Contingency Reserve fully adjusts as follows:—  
Bonds eligible are amortized, otherwise valued at Market.  
All stocks carried at actual Market Value.

Byron S. Watson, Chairman of The Board

Emil G. Pieper,  
President  
Tunis Johnson,  
Vice-President  
Richard P. Ketcham,  
Vice-President



Clifford E. Pieper,  
Secretary  
Jesse B. White,  
Secretary  
Benjamin M. Caruth,  
Secretary

A strong, conservative New England Company

it can be the victim of rumors and reports.

### Ruling Hits Farm Mutuals

LINCOLN, NEB., Jan. 24.—Over the protests of officers of farm mutuals, which claim a virtual monopoly of writing risks on rural schoolhouses in Nebraska, Attorney-General Good has ruled that where such companies operate on the unlimited assessment plan, school officers are without power to pledge the credit of the district for the payment of such assessments. He says that a district has the power to use tax moneys to pay premiums, but that in practice this permits taking out policies only in those mutuals which have a limited assessment. Insurance Director Herdman says that he knows of only one company in the state operating under the limited assessment plan in which public property can be insured under the attorney-general's holding. Mutuals say that the opinion will lose a large volume of business they now write.

### Fine Loss Record at Oshkosh

Oshkosh, Wis., had a fine loss record last year. The city has conducted an all-year round campaign laying special stress on Fire Prevention Week for the last five years. The total fire loss last year was \$11,400, which is about 30 cents per capita. The population is over 40,000. In 1932 the fire loss was \$127,147; in 1931, \$191,533; in 1930, \$1,539,047. The lowest fire loss in recent years was in 1929, when it was \$93,436. The largest fire loss was Aug. 6, when a residence on Mt Vernon street suffered damage to the extent of \$1,722. Oshkosh was awarded the first place in the state in the 1933 fire prevention contest. Milwaukee came second.

### Honor Fire Preventionists

WICHITA, KAN., Jan. 24.—The Wichita Insurors devoted their last meeting to fire prevention, having as guests L. A. Hammond, president of the chamber of commerce, Howard Van Auken, executive secretary, and several members of the fire prevention committee, including Chairman E. B. Fergus, manager of the Kansas Inspection Bureau. The 1933 fire prevention week program sponsored by the Wichita chamber was recently awarded highest honor in the United States by the National Fire Protection Association and the Wichita board took this occasion to congratulate the committee. Speakers were Chief H. H. McCall of the fire department, Mr. Hammond, Mr. Van

Auken and A. N. Booth. President A. E. Smoll furnished venison for the dinner.

### Speaks at Highland Park

DETROIT, Jan. 24.—H. J. Fox of the Michigan Inspection Bureau addressed the Highland Park Exchange Club on "Fire Insurance Rates," pointing out that Highland Park, a city entirely surrounded by Detroit, is the smallest city to have a class three rating and is second only to Detroit among Michigan cities in its rating.

### Visit New Kansas Boards

The newly organized local boards at Chanute and Pittsburg, Kan., will be visited by President Duane T. Stover of the Kansas Association of Insurance Agents and Frank T. Priest, national councillor, on Jan. 31. A noon meeting has been scheduled at Chanute and evening meeting at Pittsburg.

## MIDDLE WEST NOTES

R. L. McIntire, Springfield, O., local agent, has been appointed city clerk and treasurer there.

The Insurance Service Bureau, Appleton, Wis., has been incorporated by B. Bubolz, E. A. Dettman, M. Kimball, H. E. Gearheart, J. I. Davis and E. J. Byrne.

The Terre Haute Insurance Agency, 28 South Seventh street, Terre Haute, Ind., has been incorporated by G. C. Morris, J. V. Houpt, J. V. Moore and E. K. Strachan.

Ross M. Carrell, Des Moines local agent, has been nominated for president of the Des Moines Retail Credit Men's Association.

Davison Obear of the H. S. Cushman & Co. agency, has been reelected president of the St. Louis District Tennis Association.

The Motor Truck Insurors, Kansas City, Mo., has been incorporated by A. E. Haas, Louis Lowenstein, R. C. Coleman and Judd Biddle.

The General Insurance & Surety Agency has been opened at 221 Wainwright building, St. Louis, by M. D. Hartman and G. I. Hilliard, formerly of Clayton, Mo.

Henry S. Cushman, St. Louis, formerly vice-president General Insurors, has opened an office at 1034 Pierce building, that city, in his own name and has taken the Class 1 agency of the Firemen's of New Jersey.

W. A. Jack, president Acme Insurance Agency, has been elected president of the Gavel Club of Greater St. Louis, composed of presidents, past presidents and secretaries of civic and service clubs.

At the inspection of Paris, Ill., Jan. 24, the Illinois Fire Prevention Association will be in charge and Engineer Harry Rogers of the Western Actuarial Bureau will make the addresses before business men and the schools.

## IN THE SOUTHERN STATES

### Collection Rule Beneficial

Asheville, N. C., Agents Find They Have More Time for Servicing Assureds

ASHEVILLE, N. C., Jan. 24.—The new ruling of the Asheville Fire & Casualty Insurance Agents Association, requiring payment of premiums on the 10th of the month following the date policies are issued, has resulted in the agents being able to render better service to the insuring public, a survey of the situation shows.

### More Time for Service

The ruling became effective about a month ago and it has been found that more time can be devoted to writing of policies and the prompt handling of technical matters in claims arising from time to time. In the past, agents have been confronted with the collection problem which has taken so much time that proper service could not be rendered to the public in handling more important matters in connection with their insurance. When premiums are

paid promptly, the agent consequently has more time to devote to the assured's interests both as to proper coverage and to the payment of claims.

The Asheville association has issued a statement thanking the public for the cooperation shown so far in conforming with the new premium payment rule.

### Irwin Wootten Is Elected Atlanta Board's President

ATLANTA, Jan. 24.—Irwin Wootten was elected president of the Atlanta Association of Fire Insurance Agents at the annual meeting. George White was elected vice-president and L. L. Austin secretary-treasurer. H. J. Haas, Julian Thomas and Milton Dargan, Jr., are the new appointees on the executive committee, serving with Oscar Venable, J. A. North and Beverly Du Bose, holdovers. More than 120 agents were present.

S. Y. Tupper, southern manager of the Royal and Queen group, spoke briefly on the "Trend of the Times." He said that rates on the preferred classes of business have been hammered down



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to a point where very little profit remained, but also expressed hope for the future, stating that business is definitely better. The volume of business has fallen off, due in a measure to decreased values, but as an offset to this, the loss ratio on most of the classes was lower than for several years.

## Endorse Fund for Premiums

COLUMBIA, S. C., Jan. 24.—The South Carolina general assembly's resolution, suggesting that Congressmen and Senators investigate "the feasibility of securing funds from one of the government agencies" to assist farmers in paying for insurance has been endorsed by Commissioner Sam B. King. Mr. King wrote E. D. Smith, chairman of the agricultural committee of the senate, saying that it was his idea that "should the government look with favor upon this proposition it would apply only to prohibitive risks; that is, only those risks that can not obtain insurance."

## Would Clear Augusta Agencies

AUGUSTA, GA., Jan. 24.—The Augusta Board adopted with only two negative votes a resolution introduced by Scott Nixon, former president of the Georgia Association of Insurance Agents, requesting that the Southeastern Underwriters Association clear all mixed agencies in Augusta and its suburb, North Augusta, S. C. The agents who voted in the negative did so with the statement that they thought such a resolution would be a waste of time, as they did not believe the S. E. U. A. intended to "equalize" the competition in this city. At present there are four "mixed" agencies and one solid mutual agent in Augusta in competition with over 25 solid stock company agencies.

## Big Texas Rice Loss

Loss estimated at nearly \$500,000, reported to have been insured, was caused by a fire which destroyed a rice mill and two warehouses filled with rice at Bay City, Tex. The mill itself was virtually a total loss and 100,000 sacks of rice were burned.

## View Code at Oklahoma City

OKLAHOMA CITY, Jan. 24.—The NRA insurance code filed by the National Association of Insurance Agents was discussed at the Associated Fire & Casualty Underwriters meeting here. H. S. Griffing, Tulsa attorney who has made an exhaustive study of the code, spoke.

The Associated Fire & Casualty Underwriters has approved a 1934 program proposed by the new president, M. B. Breeding. In addition to membership work, the program includes devising a plan for reporting the licensing of non-policy writing agents and solicitors, maintaining control of city and county school insurance, and further development of the reciprocity campaign.

## Conform to Basis Schedule

OKLAHOMA CITY, Jan. 24.—The Oklahoma insurance board has passed a resolution that the general basis schedules in Oklahoma be rigidly adhered to and no differentials allowed. Only policy forms, riders and endorsements authorized by law can be used. All rate deviations from the basic schedules are automatically annulled. Commissioner Jess G. Read said the action was taken to stop cut rate insurance in Oklahoma, which has become prevalent and threatens to expand.

## Recommends State Liquidation

RICHMOND, Jan. 24.—G. C. Peery, Virginia's new governor, recommended in his inaugural address that the general assembly now in session enact a law providing that insolvent insurance companies in Virginia as well as banks be liquidated through the state division of insurance and banking. In his opin-



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PHILADELPHIA, PA.

## Semi-Annual Statement, June 30, 1933

|                                    |               |
|------------------------------------|---------------|
| Reserve for Unearned Premiums..... | \$ 613,184.75 |
| Reserve for Losses, etc.....       | 407,335.23    |
| *Contingency Reserve .....         | 1,327,381.85  |
| CASH CAPITAL .....                 | 1,000,000.00  |
| NET SURPLUS .....                  | 1,657,069.10  |

|  |                |
|--|----------------|
| TOTAL ASSETS .....                         | \$5,004,970.93 |
| SURPLUS TO POLICYHOLDERS... \$2,657,069.10 |                |
| On Market Value Basis                      |                |

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\*Contingency Reserve represents difference between Insurance Dept. Values and actual Market Prices.

ion, this would speed up the liquidation and prove far less costly than the present court receivership system.

Although he proposed that more than a million dollars be raised through taxation to obtain additional revenue for the public schools of the state, he did not include insurance in a list of sources of new revenue. This is pleasing to insurance men. Governor Peery served for several years on the state corporation commission, having had charge of insurance matters.

### Protests 60-Day Clause

John D. Saint, manager of the North Carolina Association of Insurance Agents, in a letter to President W. H. Koop of the National Board, expresses opposition to the 60-day loss payment rule. The North Carolina agents, he said, believe that mutual companies are capitalizing on the practice, that the assured is likely to suffer because of fluctuating market conditions within a period of 60 days, that the emergency has passed and loss of public good will may result if companies continue to enforce the clause.

Mr. Saint expressed the belief that application of a 60-day clause has not reduced the burning ratio. He said probably less than 2 percent of the property owners in the country know they are not going to be paid promptly.

### McCord Elected President

JACKSONVILLE, FLA., Jan. 24.—The new officers of the Jacksonville Insurers are: L. P. McCord, president; G. L. Simmons, vice-president; T. T. Elmore, secretary; G. L. Roseborough, treasurer. Beale Travis, past president, Max Oberdorfer and C. W. Blum are directors.

### Would Broaden Policy Contract

RICHMOND, VA., Jan. 24.—A bill has been introduced in the Virginia assembly amending the insurance law providing that the standard fire policy shall not be invalidated unless a breach of conditions of the policy shall exist at the time of the fire. The amendment provides that neither failure to perform any condition of the policy nor a violation of any of the restrictive provisions shall be valid in defense of any action unless such failure or violation contributes to the loss sustained.

### Mortgage Clause Approved

The state counsel for the Home Owners Loan Corporation in Texas has informed the department that the corporation has agreed to accept the Texas standard form of mortgage clause with full contribution, Form No. 130, on policies insuring Texas property.

### Opens New Adjusting Office

NEW ORLEANS, Jan. 24.—Ben R. Franklin, for the past ten years vice-president of the New Orleans Adjustment Company, recently taken over by the Fire Companies Adjustment Bureau, has organized the Franklin Adjustment Bureau, with headquarters in New Orleans. He came here from Galveston, Tex., in 1908.

### Receive Louisville Appointments

S. G. Render, for several years with the Kentucky Actuarial Bureau, has been named assistant Louisville fire chief. William Schmidt, for six years office manager of Milliken, Plant & Co., Louisville agency, has been named assistant chief of police.

### South Carolina Agents' Meeting

The annual meeting of the South Carolina Association of Insurance Agents will be held at Orangeburg, S. C., May 15-17.

### Insurance Program Given

An insurance program in charge of Clarence Freeze was given at the Jonesboro, Ark., Lions Club luncheon. R. H.

## New President



STEWART MAUNSELL

Stewart Maunsell, newly elected president of the New Orleans Insurance Exchange, was born in New Orleans June 2, 1882, and has resided there ever since. He entered the insurance business 26 years ago as a clerk in the New Orleans agency of the Mutual Life of New York under his father, Col. E. S. Maunsell, manager of the agency. He engaged in the general insurance business in 1920, starting a local agency of his own in 1923. Mr. Maunsell was chairman of the entertainment committee when the National Association of Insurance Agents held its annual convention in New Orleans in 1927. He has served the New Orleans Insurance Exchange as vice-president, executive committeeman, chairman of membership committee and chairman of the legislative committee over 10 years.

Moore explained the contribution clause in insurance policies and Charles Spriggs of M. R. Smith & Co., Little Rock, answered questions and explained various clauses in fire policies.

### Southern Notes

Mrs. Mary B. Hobson, wife of Frank A. Hobson, well known local agent of Richmond, Va., died there following a protracted illness.

J. W. Holman has purchased the interest of the late Frank Schifflin in the Holman-Schifflin agency, Texarkana, Ark., and will operate under his own name in the Schifflin building.

D. C. Hancock, a member of the executive committee of the Virginia Association of Insurance Agents, has been elected president of the Richmond Real Estate Exchange.

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### Farm Application Abandoned

#### Lengthy Questionnaire and Merit Rating Plan Is Dropped by Mountain Inspection Bureau

DENVER, Jan. 24.—The farm application and merit rating recently adopted for the mountain territory by the Mountain Inspection Bureau in connection with a complete revision of rules for farm business has met the same fate as the rule for automatic suspension of delinquent agents which last year made an unsuccessful start here. This announcement was made by Manager W. J. Kulp of the rating bureau, who said the application will be abandoned, the three-fourths clause will be included in the policy and the business will return to the old flat rates since the merit rating, which had been applied under the new rules, will be impossible without the application. Failure of the application method was due, Mr. Kulp admitted, to lack of support from the field. The system, which is now being abandoned, was tried out largely at the instance of field men, who worked out the application over a period of several months.

It was alleged by some agents that its terms are not suited to this territory; that it is too complicated, and that the warranties demanded of the assured are too severe. Great distances in the territory were said to make compliance with the rules very difficult, particularly in obtaining signatures of insuring applicants; also in making surveys. Considerable complication arose where mortgagees were interested, one case being reported where the owner who was under foreclosure proceedings refused to sign the application since the benefits under the policy would have accrued entirely to the mortgagee. Under the rules no substitution for the signature of the owner was permissible.

#### New Form Needed

The change will necessitate preparation of a new policy form, Mr. Kulp said, but for the present the recent form will be used eliminating the features depending on the application for their meaning.

Much opposition to some of these features existed in Wyoming, and a hearing was conducted here Friday by Commissioner Thulemeyer of that state. Some of the objections were presented by Chester Davis of Sheridan, Wyo., past president of the Wyoming Association of Insurance Agents. Prior to abandonment of the new application method a conference here on the subject was attended by A. T. Bailey, San Francisco, chairman of the managing committee of the rating bureau, Manager Kulp and Frederic Williams, secretary Rocky Mountain Fire Underwriters Association.

### Governor Ponders on Bill Creating Washington Fund

OLYMPIA, WASH., Jan. 24.—Decision of Governor Martin to consider the state fire fund bill from all angles before making up his mind to approve or veto it followed a hearing at which the bill was both vigorously attacked and defended. The bill sets up a state fire insurance system for the protection of public buildings owned by political subdivisions of the state and has been passed by both houses of the legislature.

Fire insurance interests, the Seattle chamber of commerce and a number of other groups are against the measure while the state superintendent of public instruction and the state grange, sponsor of the bill, fought for it. C. S. Shank, Seattle, general counsel North-

western Mutual Fire, held the plan was impractical and contained many features that would be unworkable. "It makes it obligatory on the political subdivisions to pay into a state fire fund 20 percent more for insurance than they now pay for protection from the private companies," he declared.

The port of Seattle carries the largest amount of fire insurance of any political subdivision, about \$4,000,000. The county hospital system of King County carries \$1,142,000, a reduction of \$600,000 having recently been made. The state, the University of Washington and other institutions of higher education and the city of Seattle carry no insurance. School districts generally throughout the state carry insurance with private companies. The bill, as promoted by the state grange, was intended primarily for these school districts.

### Mountain Reports Favorable

DENVER, Jan. 24.—Field men here estimate 1933 premiums at between 5 and 10 percent below the previous year, and losses not much in excess of 30 percent of current premiums. Reports generally indicate an unusually favorable situation on balances.

### Moreton Heads Salt Lake Board

SALT LAKE CITY, Jan. 24.—Fred A. Moreton of the J. B. Moreton Company was elected president of the Fire Underwriters Association of Salt Lake City at the annual meeting. J. G. Midgley, H. J. Grant & Co., is vice-president and E. D. Amott, Tracy Loan & Trust Company, secretary-treasurer. The executive committee includes Allen Bradley, Hogle Insurance Agency; Jay Rogers, Rogers-Evans Insurance Agency; O. E. Vombaur, Halloran-Judge Trust Company, and Clarence Raybould, Ed D. Smith and Sons. Members of the state insurance code committee reported the code to be in full force and to be receiving hearty support on every hand.

### Set F. U. A. P. Banquet Date

SAN FRANCISCO, Jan. 24.—The annual banquet of the Fire Underwriters Association of the Pacific will be held Feb. 7. Charles Barsotti, assistant manager Fire Association, and W. L. Wallace, vice-president Pacific National Fire, comprise the banquet committee.

### San Diego Board Elects

C. J. Stafford, Kettner-Stafford-Goldsmith Company, San Diego, Cal., was elected president of the San Diego Insurance Exchange at the annual meeting. Ed Hall is vice-president; Willis Fletcher, secretary-treasurer. Directors are Paul Wolcott, Lorenze Barney and Percy H. Goodwin.

## Eastern States Activities

### Report on New York Cities

#### National Fire Protection Association Gives Some Highlights on Some Leading Points

The National Fire Protection Association expresses regret over the delay in the adoption of the fire prevention code at Rochester, N. Y. The fire department drill school has been abandoned as an economy measure.

At Schenectady, the city building inspector had 40 dilapidated buildings razed. A new building code is nearly completed.

At Amsterdam, the engineers find a

considerable conflagration hazard from wooden shingle roofs. They advocate a drill tower and salvage equipment for the fire department.

At Syracuse, the engineers report considerable progress. Drill school work in the fire department has been extended, a new rescue and salvage squad company has been put into service and the arson crew has been effective in reducing incendiary fires. A fire department captain has been assigned to the safety council of the Syracuse chamber of commerce for full time fire prevention work.

At Utica, N. Y., the arson squad has been reorganized and is doing effective work.

### Redding New Haven President

#### Named to Head Local Board There at Annual Meeting—Code Indorsed After Cole's Talk

NEW HAVEN, CONN., Jan. 24.—Col. James P. Redding was elected president of the New Haven Association of Insurance Agents at the annual meeting, which was attended by about 40 members. He is president of the New Haven board of fire commissioners.

Herbert E. Morris, head of the agency

bearing his name, was chosen vice-president, and Donald G. North of North's Insurance Agency, one of Connecticut's oldest agencies, established in 1843, was reelected secretary-treasurer.

Support of the insurance producers code was voted by the association after its provisions had been explained by E. J. Cole of Fall River, Mass., chairman of the executive committee, National Association of Insurance Agents, who was the principal speaker. A number of New Haven agents agreed to attend the code hearings in Washington.

Appointment of committees was deferred by President Redding until a later meeting.

### Must Use Market Values

Commissioner Sullivan of New Hampshire has ruled that fire and casualty companies must file an additional supplementary statement which will exhibit all assets on actual security market values as of Dec. 31.

### Explain Code to Agents

BOSTON, Jan. 24.—Agents' associations in New Hampshire and Massachusetts have taken up the campaign for education of the local agents in the proposed NRA insurance code. The execu-

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tive committee of the New Hampshire Association of Insurance Agents has approved a series of regional meetings which will be conducted by President A. J. Rouillard of Claremont and other officers. President C. K. Steele of the Massachusetts association will also hold meetings in his state, combining explanations of the code and a membership campaign.

### Form Erie County Board

The Erie County Insurance Agents Association has been organized at Buffalo to aid in eliminating unfair practices under the NRA. Fred J. Marshall of East Aurora will serve as president; Leon M. Pierce, Hamburg, vice-president, and Frank N. Winter, Eden, secretary-treasurer.

### Baltimore Fire Anniversary

BALTIMORE, Jan. 24.—The 30th anniversary of the great Baltimore fire, which caused a loss of \$125,000,000 will be celebrated by an "Old Timers' Party" Feb. 7, given by the Insurance Society of Baltimore, Association of Fire Underwriters of Baltimore City and Chesapeake Blue Goose.

### Continue Lawson Case

BECKLEY, W. VA., Jan. 24.—Trial of E. C. Lawson, former insurance commissioner, on charges of conspiracy to defraud in the sale of stocks, has been continued in the Raleigh county criminal court to the March term.

### Connecticut Endorses Code

NEW BRITAIN, CONN., Jan. 24.—Endorsement of the National association code was voted by the executive committee of the Connecticut Association of Insurance Agents at a meeting here.

### Eastern Notes

Harry Cohen, New Bedford, Mass., has incorporated his agency.

H. L. Fritz, who has been with the Fiedler Corporation, has opened his own agency at 455 Central avenue, Newark.

The Calchman Insurance Agency, New Haven, Conn., has been incorporated by Henry Calchman, Morris Gorenstein and H. N. Alderman.

A. J. Rosenbluth, 56, head of the Rosenbluth Insurance Agency, New Haven, Conn., died at his home after a long illness.

The Maryland Statutory Underwriters, Chamber of Commerce building, Baltimore, has been incorporated by Rose Rosner, Harriet M. Ross and Mary E. Hoffman.

The Hatheway & Pratt Corporation, Bridgeport, Conn., has been incorporated by G. T. Hatheway, H. T. Pratt and T. E. Hatheway, associated with George Hatheway in the Fairfield avenue agency.

### Motor Insurance Events

### Fake Agents Active in Michigan

LANSING, MICH., Jan. 24.—Several fake agents selling purported automobile insurance in fictitious companies are being sought by Michigan state police and local officers following complaints to the insurance department regarding their activities. The territory within easy driving distance from Detroit has been the scene of the swindlers' operations, indicating that they are making the state's metropolis a base for their operations. Several complaints have come from St. Clair, Genesee, and Oakland counties. The company names used are: Michigan State Insurance Company and Michigan State Automobile Insurance Company. The department has no record of any carrier bearing either of these titles.

Investigation of the fake agents' operations indicates that they are equipped



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with application forms, receipts, and full credentials to make a convincing showing that they are duly authorized representatives of the supposed companies. The swindlers give as their address and that of the companies either the Penobscot or Hoffman buildings, Detroit.

### Curb Stealing of Auto Parts

CHARLESTON, W. VA., Jan. 24.—An ordinance directed against the increasing number of thefts of automobile parts and accessories, by the regulation of their sale, has been adopted by the Charleston city council. An annual license fee of \$10 is required of dealers in used parts and they must report the names and addresses of persons from whom used parts are purchased.

### Proposals Ready on Auto Manual

(CONTINUED FROM PAGE 5)

Objectors to the suggested reduction assert that if the present minimum were cut appreciably, local agents would lose interest in the line, holding that the commissions would not warrant time spent in soliciting such risks. The counter to this is, that if a local representative permits a competitor to cut in on his automobile risks, he is endangering other and more profitable classes of insurance secured from these clients, and hence should be willing to make but a small sum on one type of coverage in order to retain others affording greater return.

#### Offer Another Proposal

A further suggestion advanced in certain quarters is that existing minimum premiums upon small loan finance accounts be modified. The present minimum premium for single interest collision indemnity for finance accounts is \$5, and for embezzlement, \$3. Whether attention has been devoted by the staff to these proposals, and if so, the attitude of the members thereto, is unknown to company men.

The printing of the 1934 rate manual will be done by a New York City firm, instead of by a Chicago establishment as had been the case for a number of years. In 1933 as a measure of economy new rates were issued in loose leaf form for inclusion in the 1932 manual, obviating thereby the printing of a new edition.

For the first time the staff committee had at its side special representatives from the various branches of the National Automobile Underwriters Association. There were five special representatives, who acted more or less as a harmony committee, discussing various subjects from the regional point of view. Objections to a certain measure might be raised by the representative of one regional organization and discussion might develop that his opinion was influenced by restrictive legislation in

his part of the country. The same statutory conditions might not exist elsewhere and consequently differences of opinion were reconciled. It was found that many questions could be settled across the table, that otherwise might have been the subject of lengthy correspondence between the executive committee and the local conference committees.

The special representatives on hand were C. A. Bickerstaff, manager southern department Fireman's Fund; Al M. Wagner of Chicago, superintendent automobile department Hanover; C. O. Goodwin of Chicago, superintendent automobile department Great American; Harry C. Benner, general agent of San Francisco, and J. V. Fothergill of the London & Lancashire at Hartford.

### Illinois Blue Goose Gets New Life at Peoria Meet

(CONTINUED FROM PAGE 5)

If the applicant for qualification is an employee of a bank, building and loan association or finance company, the department sends a letter warning the employer that the employer must not be interested in any way in the employee's commissions. If the applicant gets 50 percent or more of his business from his own personal risks and those of his employer, the application will be rejected.

Earl S. Whitcombe, Hartford, and L. C. Larson, Eagle Star & British Dominions, were elected to membership and the resignation of R. L. Wallace, formerly America Fore, was accepted.

Miss Edith Edwards, secretary, reported that 200 agency meetings were called in 1933, that 40 agencies are in the hands of balance committees and 21 are trustee. She said the governing committee of the Western Underwriters Association wants immediate reports when trusteeships are dissolved.

A communication was read from the Illinois Audit Bureau, urging the field men to get agents to cease sending mail with insufficient postage. Apparently a few agents try and escape a few dollars postage expenses every year by this practice.

Among those at Peoria were W. J. Tippery, assistant western manager of the Aetna Fire, who is a past most loyal gander of the South Dakota Blue Goose; T. A. Pettigrew, general manager Underwriters Adjusting, R. S. Danforth, assistant secretary Millers National, and Shirley Moisant, Kankakee, well known local agent.

About 22 field men and officials of the Home were in Peoria, where a conference was conducted the following day by Chicago Manager C. D. Lasher and F. H. Cornell, farm manager.

#### SPRINGFIELD PUDDLE LAUNCHED

The Dan T. Smith puddle was formally established at Springfield Monday evening. The constitution and by-laws were adopted at that time and of-



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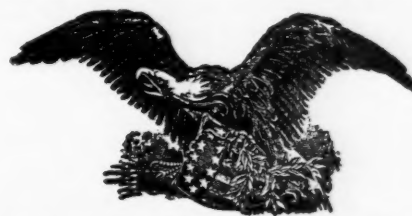
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ficers were elected. Dan T. Smith, Winchester, Ill., who represents the Firemen's, was elected bullfrog. Carl Temme of Decatur, St. Paul F. & M., was elected tadpole and R. E. Minner of Springfield, Home of New York, is croaker.

About 30 turned out for the organization meeting. C. W. Ohlsen, assistant western manager of the Sun, who is most loyal gander of the Illinois pond, was present and helped to launch the puddle. A committee was appointed to select a date for an initiation at Decatur some time in March.

The Springfield people have arranged with a restaurant at 110 North Sixth street to reserve a Blue Goose table at noon every day, and members from outside the city are invited to drop in there for lunch when in Springfield.

### London Lloyds Is Hard to Beat as Insurance Market

(CONTINUED FROM PAGE 3)

in lieu of treaty reinsurance, the regular treaties with casualty and fire companies, which patronize Lloyds for regular business that could be placed domestically, and a growing excess business with self insurers for compensation, liability, and some fire. All in all the revenue of Lloyds from the United States is estimated at from \$50,000,000 to \$100,000,000.

Whether there will be any concerted effort on the part of American interests to recapture some of this outgo by undertaking to develop a market here remains to be seen. Lloyds is a great convenience in the orderly and traditional conduct of the business in this country and great effort would be required to arouse insurance people to experiment with a new market if one could be arranged. Much depends on the reaction to the intended program of Representative O'Connor of New York to introduce restrictive legislation in congress aimed at Lloyds. If London Lloyds is worked up into something of national issue or at least a big insurance issue, it is conceivable that their grip can be loosened to some extent.

### MANEUVERS IN MICHIGAN

LANSING, MICH., Jan. 24.—Recent reports that Lloyds of London will probably seek authorization in Michigan, following the procedure adopted in Illinois, bring to light that there is no existing statute making possible their admission here.

Department officials say the section of the insurance code providing for authorization of Lloyds organizations was repealed several years ago. Another special legislative session is scheduled next month but it is improbable that the governor would seek legislation authorizing admission of Lloyds.

Although Michigan banks are prohibited from patronizing Lloyds, the report now is that some banks are buying London Lloyds blanket bonds under the statutory provision for placing business which cannot be written in licensed companies. Issuance of permits of this type, on affidavit, has been more or less of a formality, little investigation being made as to whether the coverage was actually available in authorized carriers. Some of the agents want an investigation to determine whether it is true that such business was actually rejected by authorized carriers. Lloyds are at least paying the state tax on this business, however.

*"THE secret of success is constancy to purpose."*

—Disraeli

### GOLDEN

The fifty years of effort which have just been closed with this Golden Anniversary celebration, have had constantly in the background the one thought of sound protection.

### ANNIVERSARY

At times when you or we may be inclined to waiver in our determination to build soundly, let us think of the splendid thought of that fighter, Theodore Roosevelt, "Aggressive fighting for the right is the noblest sport the world affords."

### YEAR

### Security Fire Insurance Company

Davenport, Iowa

PROTECTION SINCE 1883

FRANK J. BUCHER, President

WM. F. KRAMER, Secretary

Organized 1865

THE

### Reliable Fire Insurance Co.

DAYTON, OHIO

Surplus to Policyholders \$988,081

An independent Ohio Company with a record of more than 68 years of honorable dealing with Agents and Assureds

Send 9 cents in stamps for sample copy of  
**THE ACCIDENT & HEALTH REVIEW**  
The only exclusive accident and health paper published.  
Address your inquiry to A-1946, Insurance Exchange, Chicago

## NORTHERN ASSURANCE CO. LTD. OF LONDON

A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS

CHICAGO

NEW YORK

SAN FRANCISCO



# AMERICAN AUTOMOBILE INSURANCE COMPANY

## ST. LOUIS

### FINANCIAL STATEMENT, DECEMBER 31, 1933

#### ASSETS

|   |                       |
|---|-----------------------|
| U. S. Government Bonds.....                                   | \$ 861,401.91         |
| State and Municipal Bonds.....                                | 263,818.98            |
| Railroad Bonds .....  | 980,160.28            |
| Public Utility Bonds.....                                     | 1,600,168.64          |
| Industrial Bonds .....  | 444,018.20            |
| <b>Total Bonds*</b> .....                                     | <b>4,149,568.01</b>   |
| Stocks** .....  | 3,312,234.80          |
| <b>Total Investments</b> .....                                | <b>7,461,802.81</b>   |
| Premiums in Course of Collection (Less than 90 days old)..... | 854,713.77            |
| Cash .....  | 875,312.54            |
| Accrued Interest .....  | 39,418.98             |
| <b>Total Admitted Asset</b> .....                             | <b>\$9,231,248.10</b> |

\*Bonds valued according to New York Insurance Department Amortization Formula.

\*\*Stock values as prescribed by National Convention of Insurance Commissioners.

#### LIABILITIES

|   |                       |
|---|-----------------------|
| Reserve for Unearned Premiums .....   | \$3,090,440.48        |
| Reserve for Liability Claims and Claims Expense (N. Y. Law).....  | 2,525,492.47          |
| Reserve for Other Claims and Claims Expense .....   | 186,723.86            |
| Reserve for Commissions (Not Due).....  | 189,100.88            |
| Reserve for Taxes .....   | 147,501.14            |
| Reserve for Other Liabilities.....  | 8,106.88              |
| Contingency Reserve, representing difference between value carried in<br>Assets and Actual December 31, 1933, Market Quotations on all<br>Bonds and Stocks owned..... | 843,965.51            |
| Capital Stock .....   | \$1,000,000.00        |
| Surplus .....   | 1,239,916.88          |
| <b>Surplus as regards Policyholders</b> .....   | <b>2,239,916.88</b>   |
| <b>Total Liabilities</b> .....  | <b>\$9,231,248.10</b> |

#### INSURANCE ON AUTOMOBILES EXCLUSIVELY

*Losses Paid since organization more than Fifty Million Dollars*



# The National Underwriter

January 25, 1934

CASUALTY AND SURETY SECTION

Page Thirty-one

## Attack Extension of Compensation

Self-Insurers of New York City Opposes Occupational Disease Measure

### WOULD "SPELL DISASTER"

Employer Would Be Held Liable in All Possible Cases—Doctor Gives Views

NEW YORK, Jan. 24.—In a special bulletin to its members, the Self-Insurers Association of this city calls large labor employers' attention to the consequences of an all inclusive occupational disease amendment to the New York workmen's compensation law. "In considering this question," the bulletin says, "one should not lose sight of the fact that with medical knowledge so uncertain and testimony so confusing, a determination against the employer must be expected where there is a scintilla of evidence that disability is caused, or was probably caused, by a disease contributed to by some phase of the occupation. Accidental injuries and their consequences may be said to be determinable with reasonable ease, as compared to the uncertainties of the cause of diseases and other human impairments. The serious experience in other states, notably Wisconsin and Massachusetts, is a warning to the serious problem confronting us in New York.

#### Would Spell Disaster

"The liberality of administration of the compensation law, the informality of evidence that is sufficient to establish a claim, the confusing of medical testimony, the general tendency to always give the claimant the benefit of a doubt and the inability to appeal on questions of fact where a decision has been made against the weight of evidence, would seem to spell disaster if this state should be burdened with such a law."

Dr. W. S. McCann, University of Rochester professor of medicine, tells of the alarm with which operators of industrial plants in that city witnessed the "deluge of common law suits" lodged against them recently for alleged negligence in the care of employees. In October, 1932, he states a jury awarded a widow a verdict of \$14,000 in her action to recover damages for the death of her husband, upon the ground that his death was caused through silicosis poisoning.

"In the evidence it was clearly shown that the deceased had died from the rupture of an aneurism into the oesophagus, that this aneurism was due to syphilis. It was conceded by the defense that the deceased had tuberculosis." After "this triumphant demonstration of what a jury might do," Dr. McCann said, "Rochester resembled nothing so much as a barnyard just after the swoop of a

## Find Many Barren Spots in the Field of Suretyship

By GEORGE A. WATSON

NEW YORK, Jan. 24.—With the virtual passing of depository bond business, sharp curtailment of contract bond offerings and less liberality in the writing of public official bonds in certain states because of uncertainty as to the extent of the liability such coverage would entail by virtue of recent legislation, the premium income of surety companies generally will show a distinct falling off from returns of 1932, when reports for the past year are fully available. That the same hampering conditions as prevailed in the last 12 months will be encountered, to a degree at least, during 1934, is generally anticipated, hence the eagerness with which executives are casting about for new and desirable avenues for premiums.

The income from depository bond writings reached its peak in 1929, when the total was approximately \$5,000,000. In the fall of that year occurred the crash, bringing in its train through the succeeding years collapse of several thousand banking institutions. While most of the failed banks had small capital and limited resources, others had previously been accounted of first rank, and were designated depositories for public funds.

The sureties were called upon to pay losses of conflagration proportions. The heavy mortality among banks resulted in the moratorium and in the creation of the Federal Deposit Insurance Corporation, which began functioning Jan. 1, 1934. To date over 15,000 banks have qualified for membership in the fund and still others will come into the fold within the next six months.

#### To Increase the Limits

While the present guaranty of the federal fund is \$2,500 for each individual account, that sum is said to represent practically 90 percent of the average bank deposit the country over. On July 1, the limits to be guaranteed, on a sliding percentage basis, will be in excess of \$50,000. With the guaranty of the national government, the need for corporate depository bonds will be greatly limited, thus eliminating a premium income of several million dollars a year. To be sure, the income from the line in recent years was but a percentage of the losses, but over a long stretch of years prior to 1930, depository bond writings returned a fair profit and was a lever for securing business on collateral lines from banks.

Under normal economic conditions surety companies could count upon recovering approximately 75 percent of money paid out under depository bonds

chicken hawk. A large number of cases were reported to be settled out of court for sums ranging from \$2,000 to \$4,000. These received due notice from the press with the result that many workmen, mostly unemployed, hastened to be examined in the hope that they too might participate in the rapidly growing racket."

in so far as national banks were concerned; and about 50 percent from state institutions. Salvages in such volume, however, will not be realized upon losses in recent years. Some recoveries have been made and these will be augmented later should the present upward trend in the market values of listed securities continue, thus permitting the disposal at fair prices of collateral which receivers were unwilling to sell at too heavy a sacrifice.

#### Contract Bond Situation

In large measure such contract bonds as are now being written, or that probably will be issued within the next few months, cover upon work of the national government. Comparatively few state or municipal projects of sufficient magnitude to require bonding have been undertaken or are likely to be until the local governments put their financial affairs in such shape as to warrant unusual expenditures.

In their eagerness to secure new work and retain intact their staffs, contractors are bidding upon every worthwhile job and underwriters are kept busy scanning the submitted figures preparatory to considering writing the indemnity, should their particular clients succeed in getting the award. As only a percentage of the bidders can be thus favored, much of the labor of the underwriters is lost.

A factor underwriters are taking into account is the probable influence upon labor and material cost of the dollar devaluation policy. So far as federal work is concerned, the effect will not be serious, all such contracts containing a provision that labor costs are to be adjusted should the operation of the NRA force increased payments. The allowable margin runs to 15 percent. Contractors, however, must take a chance on changes in the cost of materials; hence the extreme care with which this element in preparing bids must be figured, and the unwillingness of surety companies to stand as indemnitors unless the contractors are experienced and their financial set up sound and liquid.

#### Fidelity Schedules Up

Through the operation of the NRA there has been an increase in employment, which means that thousands of new workers must be covered under fidelity bonds. An increase in the premium income from this line is anticipated and has already in modest degree become manifest.

Should the effort now being seriously made in a number of states to compel London Lloyds either to comply with reasonable statutory regulations or cease operations entirely, prove even measurably effective, it will mean a considerable volume of bankers' blanket bond business now going to these tax-dodging and rate cutting concerns, will be secured to duly licensed institutions.

The extent to which the ultra-conservatism now being displayed by many

## Seek to Secure the Agents' View

National Bureau of Casualty & Surety Underwriters Will Submit Plan

### SUBJECT LONG DISCUSSED

Hope Is Expressed That All Hands Can Now Agree on a Uniform Proposal

NEW YORK, Jan. 24.—An important series of conferences will be held in this city under the auspices of the National Bureau of Casualty & Surety Underwriters starting Feb. 7 and lasting three days. The bureau has had a special committee working for almost a year endeavoring to devise some plan to solve the workmen's compensation problems which are many and serious. The compensation business has shown a deficit of large proportions for many years. Some companies have quit it entirely and others have so retrenched that they can scarcely be called participants in writing this class. At the meeting of the Insurance Commissioners Convention here, when its compensation committee met, General Manager Beha of the National Bureau stated that nothing definite had been concluded at that time but the committee was still at work and he hoped to have an announcement in due season.

#### Sent Out a Questionnaire

The National Association of Insurance Agents has sent a questionnaire to its members as its committee will meet with the National Bureau as will a committee from the National Association of Casualty & Surety Agents. The questionnaire of the National Association of Insurance Agents is sent out by W. E. Harrington of Atlanta, chairman of its special committee. The questionnaire is as follows:

It is contended that the problem of the stock companies is partly due:

First, that they write the predominating number of risks producing small premiums, and the amount produced for services rendered, (i. e. claims, payroll audits, inspections and administrative) is insufficient to pay the actual cost of such services.

Second, on the larger premiums, say \$500 and above, the amount produced for the above enumerated services is in excess of the actual cost, thus enabling the mutuals to pay dividends out of such excess.

Third, that due to the above conditions, the stock companies are confronted with writing the smaller risks at a loss in actual cost and the larger risks are flowing to the mutuals for the purpose of securing a dividend thereon.

To correct this inequality, the contention is made that a graduated scale of

(CONTINUED ON LAST PAGE)

(CONTINUED ON PAGE 37)

## Automatic Cancellation Now Is Omitted in W. Va. Form

### FINAL DRAFT IS RELEASED

Earlier Provision in Standard Auto P. L. and P. D. Policy Has Been Erased

Commissioner Sims of West Virginia has now issued the final draft of the standard automobile policy for West Virginia, which supersedes and supplants the ruling issued Dec. 2, 1933, on the same subject. The most noticeable difference in the final draft, as compared with the Dec. 2 draft, is the absence of a provision for automatic cancellation in the event of non-payment of the premium within 45 days from the effective date of the policy.

When the Dec. 2 draft was sent out, the West Virginia department solicited criticism and suggestions. Apparently there was serious objection to the automatic cancellation provision and this has been stricken out. The standard policy is for automobile liability and property damage and is only required on motor vehicles of the private passenger and commercial type. It is not required for the writing of P. L. & P. D. on automobile sales agencies, service stations, public garages and repair shops.

#### Some Provisions "Standard"

Certain portions of the form are designated standard and may not be amended by the company except by the substitution of similar portions which are designated "alternative standard." Those portions of the form which are designated "not standard" must be included in the form in substance but may be stated in other language. Other portions are designated "optional" and may be included or omitted at the option of the company.

Special provisions required by law for mutual companies may be added to the provisions of the standard form after being approved by the department.

Where the company writes on the instalment payment plan, proper provisions may be made for lapse or suspension of the policy upon default in the payment of instalments when due.

The companies are requested to submit their printed copies of West Virginia policies before March 5, with certification by an official of the company that the printed form complies in all respects with the standard provisions.

### Insurance Men on Program

The office management conference of the American Management Association and National Office Management Association will be held in Boston Feb. 8-9 and a number of insurance men are on the program.

H. A. Hopf, former life insurance executive, and now consultant, is president of the National Office Management Association and F. L. Rowland, secretary of the Lincoln National Life, is vice-president in charge of the office management division of the American Management Association.

Mr. Rowland will present a paper on the social responsibilities of the employer of office employees. C. B. Atwater, office manager, Liberty Mutual, will be one of the discussion leaders. W. J. Graham, vice-president Equitable Life of New York, and president of the American Management Association, will preside at one of the sessions. Cooke Lewis, vice-president Liberty Mutual, and George Drieu, assistant secretary Connecticut General Life, will be among the discussion leaders.

### Talks on Detective Bonds

W. H. Killam, secretary state board of prison directors, spoke before the Surety Underwriters' Association of Southern California at Los Angeles on private detective license bonds.

## Agency Head Is Named F. & C. Vice-President



M. J. O'BRIEN

M. J. O'Brien, who has been superintendent of agencies at the head office of the Fidelity & Casualty since 1931, has now been given the title of vice-president in recognition of his production and administrative ability. His brother, Frank E. O'Brien, is assistant superintendent of agents for the F. & C.

Mr. O'Brien joined the F. & C. in the engineering department 20 years ago in Milwaukee. He was transferred to Detroit in 1914 and was assigned to the sales department. Two years later he was sent into the Indiana field as special agent and in 1917 was placed in charge of the district office at Altoona, Pa. Later in the same year he was transferred to Pittsburgh as assistant resident manager under the late J. L. Rivolta.

In 1920 he returned to Michigan as assistant manager, remaining there until 1923 when he was called to New York to become assistant manager of the metropolitan office. In 1925 he was made associate manager there. Later he went to Philadelphia as as-

## Federal Activities Exempt From Agents' Law in Florida

### ATTORNEY-GENERAL'S RULING

Resident Act Requiring Countersigning of Policies Written on Florida Properties Not Enforcible

TALLAHASSEE, FLA., Jan. 24.—Attorney-general C. D. Landis holds that the resident agents' law of Florida can not be enforced against business of casualty and surety companies covering federal government contracts in the state. In a ruling for the insurance department he says: "I think the state would be entirely without authority or power to interfere with the United States government or its agencies in such matters."

A. H. Roberts, assistant commissioner of insurance, in view of the ruling, writes President W. P. Fischer of the Florida Local Agents Association, that "there is apparently nothing further we can do," even though he has found that "the companies seem disposed to give some recognition to Florida agents in these cases."

#### Agents to Discuss Situation

Section 6224 requires that policies covering any kind of risk on Florida properties "shall be issued and countersigned by a local agent who is a resident of the state." According to the attorney-general this requirement is "nil" when it comes to federal government or any of the people with which it deals as agents.

The meeting of the state association directors called for Jan. 19, has been postponed to Jan. 26, at West Palm Beach. At that time study of this question from every angle will be had, leaders feeling that it tends to a danger of weakening the law and giving encouragement to any who so desire to deprive the local agent of his rightful income.

sociate manager in the middle department for Pennsylvania, New Jersey and Delaware. He became manager in 1929 on the death of S. H. Pool. In 1931 he went to the head office.

## November R. F. C. Loans to Insurers Reported

WASHINGTON, D. C., Jan. 24.—Three loans, aggregating \$541,000, were made to insurance companies by the Reconstruction Finance Corporation during November, according to the monthly report filed with Congress.

An advance of \$385,000 was made to the Maryland Casualty; \$150,000 to the American Life of Detroit, and \$6,000 to the National Assurance of Lincoln, Neb. Actual cash disbursements to insurance companies during the month were reported as \$355,888, while repayments of insurance loans amounted to \$2,730,035. Outstanding loans at the end of the month totaled \$65,060,392.

## Factors in Industrial Plant Safety Given at Conference

NEWARK, Jan. 24.—Essential factors in industrial plant safety were presented by P. L. Diver of the Travelers in his talk on "How and Why Safety" at the Eastern Safety Conference here.

Adequate light and ventilation must be provided and competent supervisors selected to see that mechanical and physical conditions are properly maintained. The business of the safety engineer is to prepare a program for control of accidents in his particular plant after a complete study of facts. Mr. Diver showed the results that can be accomplished by a corrective safety program, as one-half the serious accidents can be prevented if proper precautions are taken. While supervisory conditions are the cause of 88 percent of all accidents, said Mr. Diver, serious ones are due to unguarded conditions around machinery.

Other speakers at the conference included Dr. W. J. McConnell, assistant medical director Metropolitan Life, who discussed "Dust Diseases that Menace the Lungs of Workers" and W. G. Cole, director of safety Metropolitan Life, who spoke on "The Safety Supervisor and the Foreman." A demonstration was given on the prevention of fires, explosions and evaporation, by Dr. H. E. Vogel, president International Fire Prevention Company, Newark.

## Must Provide Security for Funds Above U. S. Guaranty

The South Dakota state banks which have placed themselves under the temporary federal deposit insurance fund are relieved from providing security for state deposits up to the amount guaranteed under that fund. This is the holding of Attorney General Conway of South Dakota.

As to coverage above the \$2,500 guaranteed under the temporary plan, the holding is that security must be provided the state.

1933, market. The capital is \$2,500,000 and net surplus \$2,795,275.

In July, stockholders authorized 50,000 additional shares and these have been used to acquire 70,000 shares of class B preferred stock of the United States Casualty. That company wrote more than \$5,000,000 in premiums last year, with losses and expenses materially reduced as compared with 1932. In addition to the preferred stock of the United States Casualty, the New Amsterdam owns 57,891 shares class B common stock of the U. S. Casualty. The New Amsterdam is also a substantial holder of equities in other insurance companies, including 2,841 American Surety, 1,000 Continental, 206 Fidelity & Deposit, 1,400 Fidelity-Phenix, 500 Fire Association, 1,000 Great American, 1,400 Home, 800 North America.

(CONTINUED ON PAGE 38)

## NEWS OF THE COMPANIES

### American Automobile's Year

Annual Figures Are Given Which Show the Company to Be in Fine Shape

The annual statement of the American Automobile of St. Louis is issued showing assets \$9,231,248. It has government bonds \$861,402, state and municipals \$263,819, railroad \$980,160, public utilities \$1,600,169, industrial \$444,018. This gives it total bonds \$4,149,568. Its stocks are \$3,312,234, its cash \$875,313, premium reserve \$2,090,440, liability claim reserve \$2,525,492, contingency reserve representing the difference between the values carried in the assets and actual Dec. 31 market quotation \$843,966, capital \$1,000,000, net surplus \$1,239,917. This makes a very excellent showing and puts the company in fine position. It has paid losses since organization over \$50,000,000. The American Automobile insures automobiles exclusively.

**Income Guaranty, Ind.**—Assets, \$182,723; dec. in assets, \$8,814; secur. fluct. res., \$6,605; unearned prem., \$30,338; loss res., \$13,137; capital, \$100,000; surplus, \$34,536; inc. in surplus, \$5,255. Experience:

|                     | Prem.      | Losses     |
|---------------------|------------|------------|
| Acci. and health... | \$ 220,291 | \$ 112,733 |

### Increase in Premiums Shown

New Amsterdam Casualty's Writings in 1933 Exceeded Those of the Previous Year

Premium writings of the New Amsterdam Casualty showed an increase of \$639,567 in 1933 over 1932 and there was a decrease in losses and expenses.

Net premiums written in 1933 amounted to \$13,186,347 and total income \$13,967,878. Expenses amounted to \$5,068,083 and losses \$9,168,676. Dividends paid were \$607,500 and there was a net mark down of book values of \$1,060,448. There was an addition to surplus of \$2,700,000, by reduction of par value of the shares and the sale of new stock.

#### Classification of Assets

Assets amounted to \$22,732,918, including real estate \$6,204,034, bonds \$8,840,294, stocks \$3,301,919, premiums less than 90 days \$2,992,975, cash \$634,432 and cash in suspended banks \$506,964.

Premium reserve amounted to \$5,808,727 and loss reserve \$9,467,277. It has a contingency reserve of \$1,000,000, which is substantially more than sufficient to place all stocks and bonds, except those amortized, at Dec. 31,



## Department Store Program Outlined

W. F. Kimball Suggests How to Improve Public Liability Conditions

### ANALYZES EXPERIENCE

Member of New York Brokerage Firm Addresses Meeting of National Retail Dry Goods Association

NEW YORK, Jan. 24.—A program to improve public liability conditions in retail department stores was presented at the annual convention of the National Retail Dry Goods Association by W. F. Kimball of the New York brokerage firm of Kimball & Rice. Mr. Kimball was for several years insurance secretary of the dry goods association.

The retail dry goods establishments, he said, spend about \$9,000,000 a year for insurance of all kinds. Fifteen large department stores paid 26 percent of their premiums for public and elevator liability, 24.6 percent for fire insurance, 19.3 percent for compensation, 11.5 percent for automobile and 5.3 percent for use and occupancy.

The program includes insurance company participation in safety council and accident prevention work, giving aid in laying out proper type of investigation and report blanks and in training the man in the store what to look for and how to make complete and useful reports. The insurance companies, he said, should aid in publicity which makes it clear to lawyers and the public that unworthy cases will be resisted to the limit. There should be established a central claim department for department stores in the large cities, so that lawyers and claimants could be referred to one place. Possibly the various claim associations, index bureaus and arbitration boards of the National Bureau of Casualty & Surety Underwriters might be available for accomplishing this purpose.

#### Think in Smaller Terms

Insurance companies, he declared, should think in terms of \$5 payments instead of \$50 in minor cases. The small claims are the ones that are running up department store experience.

There should be a better advance preparation of cases, particularly those being handled by attorneys, and great resistance in cases where no liability exists but where settlements are now made on the theory that it is cheaper to pay off with \$100 or \$200 than defend and win. There should be full cooperation in experience analysis work.

The stores should change their attitude toward nuisance claims, in investigating and reporting accidents and cooperating with insurance companies. The highest executives in the store should support whatever program is adopted. A safety council should be formed and there should be a study of accidents leading to the elimination of physical causes and reduction in amount of carelessness and negligence.

#### Improved Accident Report

There should be an improvement in the accident report and investigation of accidents so as to fill the present gap between the time the accident occurs and the time the insurance company claim man gets on the job. There should be one man available on the call system to handle all cases. This man should be trained in claim work. Every

(CONTINUED ON LAST PAGE)

## Politics Plays Strong Part in London Lloyds Question

### SITUATION IN SOUTH DAKOTA

Expect Attorney General to Insist His Opinion Be Observed by the Banking Commissioner

PIERRE, SO. DAK., Jan. 24.—A prominent attorney of this city close to the attorney-general's office, asked about the possible action of that official in regard to the attitude of the banking commissioner in ignoring his opinion that London Lloyds contracts offered by a number of banks in this state could not be legally approved, said: "The attorney-general is out of the state but knowing him as I do, I am inclined strongly to believe that on his return he will initiate the proper proceedings to insure compliance with the opinion he has given to the banking commissioner."

As is usual in such matters many times, politics seem to have governed some officials of this state in the present instance and affected their action. Arranged against those who have been endeavoring to get acceptance of Lloyds contracts by state officials have been D. P. Lemen, president of the Queen City Fire of Sioux Falls, T. M. Bailey of Bailey & Voorhees, attorney for the Queen City; Tom Kirby, general counsel for the Western Surety of Sioux Falls, all of whom, in cooperation with Commissioner of Insurance W. J. Dawson and Deputy Commissioner Thomas Scanlon, have presented a protest to the attorney-general.

## Illinois Federation Annual Meeting Probably in April

Resignations of E. M. Ackerman, executive secretary, and M. P. Fisher, United States Fidelity & Guaranty, as treasurer, were accepted by the executive committee of the Illinois Insurance Federation at a meeting. Both are taking positions in other cities. George Abrold, auditor U. F. F. & G., was elected treasurer. It was decided to hold the annual meeting at the same time and place as the mid-year gathering of the Illinois Association of Insurance Agents. This probably will be in Springfield, Ill., in April. No action was taken on a successor to Mr. Ackerman. A nominating committee was appointed with W. W. Steiner, resident vice-president U. S. Casualty, Chicago, as chairman.

### Petition Is Turned Down

The petition of Superintendent Van Schaick of New York to take over the Concord Casualty & Surety has been denied by Supreme Court Justice Lydon of New York.

In an affidavit filed with the department, President H. R. Cronin of the Concord agrees within 30 days to deposit in the Marine Midland Bank in escrow \$100,000 in cash, such sum to be employed as a subscription for a newly authorized issue of preferred stock. He further obligates himself to institute changes in company practices and personnel, objected to by Superintendent Van Schaick.

### To Write Participating Policies

SEATTLE, WASH., Jan. 24.—The Northwestern Casualty of the Northwestern Mutual Fire group of Seattle will hereafter include in its policies a participation clause in all Washington automobile policies written at conference rates. A favorable loss experience and low expense ratio have justified adoption of mutual basis operation, the company says. Mean maximum dividend of 15% on standard policies and 25% on special

## Illustrates Chance for New Man in Insurance



MATTHEW M. COX

The possibilities in the insurance selling field for people without previous experience in the business, who are hard workers, and have the determination to succeed and are willing to plan their work is illustrated by the experience of Matthew M. Cox of Melrose, Mass. The story of his success in the insurance business in which he has been engaged only 14 months is chronicled by the Aetna Casualty.

Mr. Cox was induced to enter the insurance business by a neighbor in Melrose, Ernest Codaire, special agent for the Aetna Casualty. He entered the Aetna Casualty training school and applied himself earnestly, with the result that he stood in the upper bracket of his class.

Returning to Melrose, a suburb of Boston, in which were located several well established agencies, he realized that his biggest opportunity would be in creating business and he therefore set about to work among the uninsured.

He made extensive use of the surveys, which the Aetna Casualty is pushing. During his 14 months, he has written 24 different lines of insurance and bonds and has built up a substantial volume. The Aetna Casualty attributes Mr. Cox's success to his will to succeed, intelligent planning and his energetic pursuit of business.

## Arkansas Senate Moves to Investigate Its Companies

LITTLE ROCK, ARK., Jan. 24.—The state senate has moved for a far-reaching investigation into the management and financial set-ups of insurance companies of all kinds adopting a concurrent resolution for a committee clothed with power to make the inquiry with a view of recodification of the state's insurance laws. It was adopted in the Senate without opposition.

It proposes to set up a committee of five senators, seven house members, the state insurance commissioner and two lay members named by the governor, and gave it powers to compel attendance of witnesses and the furnishing of any records needed in the inquiry. The committee would be authorized to investigate and examine into the business affairs of any insurance company, the investments, the relation of investments to the officers, the connection of any companies with their subsidiaries and the contractual relations of companies to their policyholders.

risk policies have been named, but only in event that earnings justify the payment.

## Multiple Offices Demand All Lines

Casualty Companies Want Desirable Business for Writing the Compensation

### TRY TO CREATE AVERAGE

Endeavor to Cut Down the Deficit on an Outstanding Unprofitable Classification

NEW YORK, Jan. 24.—Casualty companies writing all classes of business are making a careful study of the unprofitable lines and especially compensation. More and more the selective process is being used and pressure is being brought to bear on agents to sweeten up the compensation with all other collateral lines from an assured. A company is willing to take one assured and calculate its experience on all his lines if it is an accommodation to take his compensation. Therefore the company will insist on any automobile business he has, steam boiler, public liability, plate glass, burglary or bonds, etc.

#### Affects Specialty Companies

This is having effect on the so-called specialty companies where a few lines are written. The agents naturally count their compensation a class of business that has to be taken and in some offices the returns are not inconsiderable. Therefore the agents must have a company that will write the compensation. As the companies, however, are becoming far more discriminating they are not willing to accommodate an agent for the compensation only. This is particularly true with regard to the smaller premium risks where most of the deficit is developed. The specialty companies therefore find themselves confronted with a very practical problem. It is up to them to convince the agents and assureds that their service is superior and that they can do far more for a policyholder and agent than his other companies. The battle between the multiple line and specialty companies is becoming more and more intense.

The question of accommodating agents is one that a multiple line company has to study carefully. While a company is perfectly willing to take a compensation risk of some dimensions where the premium is large and the experience has been thoroughly favorable, it is not ready to yield to agency pressure on the run of the mine risks unless the agent agrees to allow the company to have the other casualty lines from the same assured. The agents, therefore, are laying the demands before their policyholders and this is resulting in considerable shifting of business from the specialty to the multiple line companies. As year by year goes by and compensation shows a continuous deficit, officials feel that they are no longer required to write business at a loss. They are in a commanding position therefore with their agents so far as compensation is concerned. Almost all companies are cutting down the ratio of compensation premiums to total at head offices and are endeavoring to regulate this ratio in all their agencies.

### John Old Leaves on Trip

John P. Old, well known local agent at Sault Ste. Marie, Mich., and Mrs. Old will leave Feb. 1 for Honolulu where they will be gone for two months.

## CHANGES IN CASUALTY FIELD

### Mountain Field Is Expanded

#### United States Casualty Appoints New Denver Agency in Campaign for Direct Business

DENVER, Jan. 24.—The United States Casualty, which has been admitted in Colorado and Wyoming for some time, chiefly for reinsuring business of the New Amsterdam Casualty, will enter the field aggressively for direct business. A new Denver firm, known as the Ritter-Monaghan general agency, has been organized to conduct its business in the mountain field. The new agency firm is composed of C. H. Ritter, former Denver manager of the old Federal Surety, and also with the Employers Liability, and G. L. Monaghan, former surety manager of the Cleveland-Miller general agency. This firm expects to represent fire companies later.

The mountain department office of the New Amsterdam is taking larger quarters in order to expand its claim and inspection departments and Manager U. J. Glover announced the service of these departments would be made available to the United States Casualty also.

### Nutt, L. H. Smith, Revenaugh Join the Illinois Casualty

Roy A. Nutt, who was connected for 17 years with the Belt Casualty of Chicago, which is now in receivership, has joined the Illinois Casualty of Springfield as general attorney.

L. H. Smith, who resigned as Illinois special agent for the Hanover with headquarters at Springfield, the first of the year, has also joined the Illinois Cas-

ualty and will travel in the Indiana field. He was connected with the Hanover five years, formerly having been connected with the Chicago Board. His new headquarters will be at Fort Wayne, at 1901 Crescent avenue.

Charles F. Revenaugh has been appointed northern Illinois special agent for the Illinois Casualty with offices in the company's service office at 208 South LaSalle street.

### Central Surety Transfers Hawes; La Mair Successor

P. H. Hawes of Des Moines has been transferred to the home office of the Central Surety in Kansas City as liaison officer between the home office and agents in Kansas and Missouri. For the past two years he has been assistant superintendent of agents, serving agents in Iowa and Nebraska, with headquarters in Des Moines.

He is succeeded at Des Moines by G. A. LaMair of Omaha, as special representative in Iowa and Nebraska.

Mr. Hawes was with the Travelers six years and went with the Home Indemnity in 1930 in charge of its Minnesota casualty business. He was later transferred to the Chicago office of that company. Mr. LaMair began his field work in 1922 as Nebraska special agent for the U. S. F. & G. In 1932 he joined the Morrison & Clark agency of Omaha as manager of its casualty department.

### Hill Goes to Cincinnati

E. F. Hill has become associated with the Thomas E. Wood Agency in Cincinnati as manager of its newly formed boiler department. The General Accident, of which the Wood Agency is gen-

eral agent, has decided to expand its writing of these lines and Mr. Hill will be in charge of that phase of the work. He was formerly with the R. B. Jones & Sons agency in Kansas City. Subsequently he was with the Union Indemnity and then with the Globe Indemnity as production manager for boiler lines for the entire United States.

### Cleveland Service Office Closed

The Cleveland service office of the London Guarantee & Accident and Phoenix Indemnity has been closed. Floyd Dunson, who was resident manager, will join the Hanlon agency of the Employers Liability in Cincinnati.

### Crandall to Boston

A. F. Crandall, who has been appointed bond manager of the Aetna Casualty in Boston, was given a farewell dinner by his former associates at the R. C. Knox agency in Hartford, where he was manager of the bond department.

R. L. Fosbrink succeeds Mr. Crandall as manager, and A. F. Duffy becomes assistant manager of the Knox agency's bond department.

### Opens St. Louis Office

The Allied Mutual of Kansas City has opened a district office at 346 Pierce building, St. Louis, with W. A. Walrod in charge as district manager. It writes general casualty and fidelity lines. Mr. Walrod was formerly with the Otis Hann Company.

### United Pacific Casualty in Canada

The United Pacific Casualty has been licensed in British Columbia for automobile insurance. H. R. Fullerton of Vancouver has been appointed chief agent.

C. F. C. Ladd has been appointed assistant claim adjuster for the Maryland Casualty at San Antonio, Tex.

## Accident-Health Field News

### Cunnington Again President

#### Aetna Life Man Re-elected as Head of Cleveland Accident & Health Club at Annual Meeting

CLEVELAND, Jan. 24.—Harry A. Cunningham of the Aetna Life, who has made an outstanding record the past year as president of the Cleveland Accident & Health Insurance Club, including the promotion of what was probably the most successful sales congress ever held by any local accident and health club, was re-elected president at the annual meeting. Walter E. Watt, Continental Casualty, was elected vice-president and A. J. Althaus, Aetna Life, re-elected secretary-treasurer.

Harry H. Hoard, National Casualty, and G. H. Knight, Federal Life & Casualty, were re-elected as directors for three years. R. B. Coffman, Pacific Mutual Life, was added to the board to fill the vacancy caused by the election of Mr. Watt as vice-president.

A party for the members of the club was held at the home of Mr. Hoard in connection with the annual meeting.

### Rogers Has Ambitious Program

Paul H. Rogers, who resigned some months ago as head of the accident and health department of the Massachusetts Bonding to join the accident department of the Aetna Life, has set an ambitious program for himself in his new connection and plans to visit every important general agency and branch office of the Aetna organization east of the Mississippi river before July 1 of this year. Mr. Rogers has been spend-

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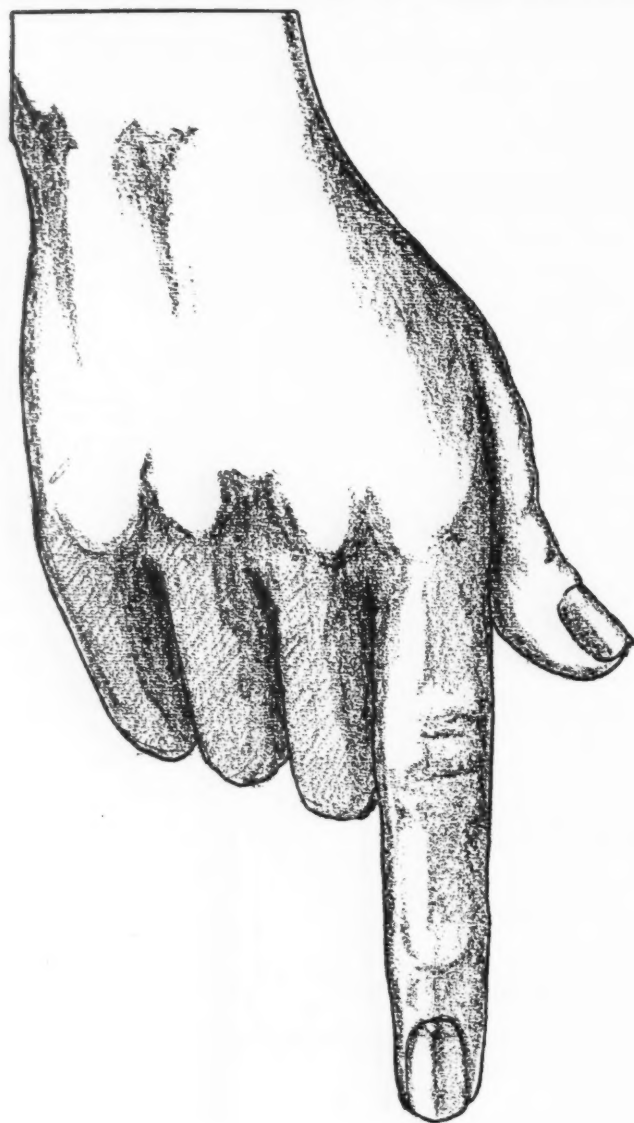
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Our facilities in providing exceptional replacement service has been instrumental in making this organization outstanding in the Chicago Plate Glass Replacement field.

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ing most of his time on the road since taking his new post. He was in Milwaukee and Chicago last week, addressing the annual convention of the Mienzen agency in the former city and meeting of both the Edwards agency and the Aetna branch office in Chicago. He will cover several of the important cities in Illinois, Indiana and Ohio on his present trip, spending about a week in Cleveland, with possibly a stop at Buffalo, N. Y., on his way back to Hartford.

### Nielsen Chicago General Agent

A. P. Nielsen, who has been with the Loyal Protective in Michigan, has been promoted to general agent for that company in Chicago with headquarters at 30 North La Salle street. Mr. Nielsen has been with the Loyal's field organization for 20 years and served at one time as chief agent in Canada.

### Held for Illegal Sales

NEW ORLEANS, Jan. 24.—Claiming to represent the International Travelers Health Insurance Association of Los Angeles, which the solicitors said was a subsidiary of the Travelers Insurance Company, two men were arrested in New Orleans, charged with selling accident insurance without a Louisiana license.

### Lyon Assistant Manager

George C. Lyon has resigned his position with Godchaux & Mayer, multiple line agency of New Orleans covering three states, to join the Continental

Casualty in Chicago as assistant manager in the group department. He has been manager of the group department in the agency for two years. He started in the business in 1927, with the New Orleans Underwriters, multiple line agency. In the Continental Casualty he becomes associated with Manager W. L. Webb of the group department, and will spend most of his time in the field, contacting branches and general agencies.

### Mutual Benefit's Figures

The Mutual Benefit Health & Accident reports premium income for 1933 of \$6,208,740 and claims paid \$4,063,419, with a loss ratio of 65.4 percent. It has shown a fair increase in business ever since the latter part of June and a steady improvement at the present time.

Nebraska managers will meet at the home office in Omaha Feb. 22-24.

### Levy Los Angeles Speaker

At the luncheon-meeting of the Accident & Health Managers Club of Los Angeles, I. O. Levy of the Behrendt-Levy agency presented a motion picture and descriptive talk covering a recent round trip on a fruit boat through the south seas to the Panama Canal zone and a nearby banana plantation.

The **Hennepin Benevolent Society**, with nominal headquarters at Aberdeen, S. D., and business offices at Minneapolis, has been incorporated to write sickness, accident and old age protection. Incorporators are L. A. Taylor and E. B. Taylor, Minneapolis; F. L. Ronayne, Aberdeen.

## CASUALTY ASSOCIATION NEWS

### Babbage Is New Jersey Chief

**Vice-president of Bankers Indemnity  
Elected President of Casualty  
Underwriters Association**

NEWARK, Jan. 24.—At the annual meeting of the Casualty Underwriters Association of New Jersey, which was held last week at the Newark Athletic Club, E. H. Babbage, vice-president Bankers Indemnity, was elected president.

Mr. Babbage has 23 years' experience in the insurance field. He first entered the business as an inspector for the Ocean Accident. When the Globe Indemnity was formed he joined it as an inspector and later became an underwriter in the liability department. He returned to the Ocean Accident in 1917 as underwriter in the compensation department. Later he became assistant manager of a New York brokerage firm for a year.

He came to Newark in 1920 as assistant manager of the liability department of the Commercial Casualty. In 1921 he was made manager of the liability department of the New York Indemnity and four years later was elected vice-president. He was appointed assistant manager of the Bankers Indemnity in 1926 and the following year was elected secretary. When H. P. Jackson came to Newark as president of the Bankers Indemnity, Mr. Babbage was elected vice-president and since 1931 he has been in charge of the New Jersey division.

### Want National Bureau Branch

BIRMINGHAM, ALA., Jan. 24.—Establishment in Birmingham of a claim reporting branch of the National Bureau of Casualty & Surety Underwriters is one of the objects sought by the Birmingham Claim Association, organized last week by claim agents representing insurance companies and public utilities in Birmingham. J. L. Wilkey, independent insurance adjuster, who was elected president, was author-

ized to take up the matter with the National Bureau. Other officers are R. M. Klinge, vice-president, and E. M. Sternberg, secretary-treasurer.

### Boynton Head of Club

George Boynton, plate glass and burglary underwriter Standard Accident branch office in Chicago, was elected president of the Burglary Underwriters Club of that city at the annual meeting. Martin Patt, United States Fidelity & Guaranty, was elected vice-president and G. F. Leineke, inspector Illinois branch office National Bureau of Casualty & Surety Underwriters, Chicago, secretary. Mr. Boynton succeeds A. A. Rice, Great American Indemnity.

### Rolands, Ford at Des Moines

DES MOINES, Jan. 24.—At the meeting of the Casualty & Surety Club of Des Moines Monday, Professor Rolands, formerly of Drake University, spoke on "Business Economics." Chester E. Ford, legislative committee chairman Iowa Association of Local Agents, spoke on legislation now before the Iowa assembly.

W. K. Freeze, Aetna Casualty, was elected secretary to succeed Fred Appel, National Bureau of Casualty & Surety Underwriters, who is transferred to New York.

### Discuss Codes at Cleveland

CLEVELAND, Jan. 24.—The regular meeting of the Cleveland Casualty Association, scheduled for Jan. 26, has been postponed to Jan. 29 when a special meeting will be held to discuss codes. Leading agents in the casualty field have been invited.

### Agents Examination Bill

PROVIDENCE, R. I., Jan. 24.—Examination of all life and casualty agents applying for licenses for the first time would be required under an act introduced into the senate endorsed by Commissioner O. L. Heltzen.



## Seek to Secure the Agents' View

(CONTINUED FROM PAGE 31)

costs must be placed on the risks by the stock companies, including agency commissions.

1. Are you of the opinion that a reduced expense loading on premiums in excess of \$500, granted that our net cost would be brought to a nearer parity would restore to your books a sufficient volume of additional business within this class to justify a reduction in commission on premiums in excess of \$500?

2. Has your experience proven the loss of premiums above that figure because of mutual competition?

3. What has been your experience with mutual competition on premiums below \$500?

4. Do you find mutuals competing for premiums under \$100?

### Question as to Commissions

5. Do you believe that a reduction in expense loading, including agents' commissions, would make it easier for the companies to obtain rate increases for that part of the premium necessary to pay losses, otherwise known as pure premium?

6. What has been your reaction among your clientele on the general subject of workmen's compensation rates, i. e. do they feel that the loading is excessive, and if so, is their objection based on the company or agency cost loading?

7. If the stock company cost by a graduated loading were brought to within 10 percent of the mutual net cost on premiums in excess of \$500, do you believe that it would restore premiums in that class to your books?

8. Do you believe that the average compensation buyer prefers stock insurance to mutual insurance at an increased cost? If so, what increased cost is he willing to pay?

9. What is your opinion as to the relative service rendered by the better class mutuals on compensation insurance as compared with that of stock companies?

10. What suggestions have you to offer to enable the stock companies to secure adequate rates from the rating authorities and at the same time to reduce the cost of such insurance on the larger risks to a nearer parity with that of the net cost of mutual companies?

### Will Hold Meetings

Associated with Mr. Harrington upon the committee are: C. F. Liscomb, Duluth; Charles Bellinger, New York City; W. H. Stewart, Chicago, and C. T. Smith, Dallas. Following the conference with representative local agents, the managerial committee of the National Bureau will hold sessions in turn with representatives of the National Association of Casualty & Surety Agents, and with those of brokers associations. The intended meetings are preliminary to the completion of a revised plan for rating workmen's compensation risks on which the National Bureau has been at work for months, and which when finished will be submitted to the National Convention of Insurance Commissioners for review.

State commissioners as well as company officials and agents have been seriously concerned with the unfortunate condition into which the compensation line has fallen, and at their convention in Chicago last June, asked company executives to draft a program intended to effect needed remedies. The subject gone into exhaustively by the underwriters and their actuaries, has progressed to such state now as to warrant calling conferences with the business producers to get their views upon acquisition cost and other relative data.

### Cullen on Western Tour

Vincent Cullen, president of the National Surety, is in the midst of a sev-

eral weeks' visit to a number of cities in the middle west. He started in Pittsburgh and then went to Cleveland, Detroit and Chicago. He is visiting in Milwaukee and St. Paul this week and then plans to go to Omaha and St. Louis among other places. In these cities Mr. Cullen has been entertained and has become acquainted with leaders in the surety business who are connected with other companies, as well as employees of his own company and agents, and has made a point of meeting bankers and industrialists. Mr. Cullen is making a good impression and is creating much good will for his company. Later in the year he plans to visit cities on the Pacific Coast.

### Enters Check Forgery Field

The Humphrey Company, 170 Broadway, New York, has been appointed general agent of the Preferred Accident for the United States in its newly organized check forgery insurance class. Departmental sanction for this business has been given and while the Preferred is not a subscriber to the Towner Bureau, nor a member of the Surety Association of America, it is understood that bureau rates will be adhered to and forms approved by the association will be exclusively used. The head of the Humphrey Company is G. W. Humphrey, an experienced check forgery under-

writer who was with the Globe Indemnity from 1919 until 1923.

The action of the Preferred Accident in issuing check forgery bonds is interesting because of the belief that this company may shortly become a direct writer of other surety lines, which heretofore, with few exceptions, it has only assumed as a reinsurer. The few fidelity bonds written direct by the company have been almost without exception target lines where sufficient coverage was not obtainable elsewhere. The company is reported to have declined to become coinsurer with non-conference companies and has always acted in strict accord with the rules of the Surety Association. The Preferred may now become a member of that association and the Towner Rating Bureau.

### Bar Adjusters from Juries

JERSEY CITY, N. J., Jan. 24.—Casualty company adjusters will be struck off all Hudson county jury lists and company managers, superintendents, executives and brokers will be carefully investigated before they are accepted for jury duty. The Hudson County Bar Association has investigated the relationship of insurance men to courts and makes several ugly allegations against adjusters, claiming that they have been involved in jury influencing and fixing.

Charges were made that when insurance employees were serving on juries in automobile accident cases, they influenced low verdicts.

### View Cover on CWA Workers

MILWAUKEE, Jan. 24.—A resolution requesting the state legislature to exempt CWA workers from compensation claims under the Wisconsin workmen's compensation act, should the federal government for any reason fail to settle such claims, failed to pass the county board of supervisors. Proponents of the resolution argued that if succeeding administrations repudiate the program of the present federal government, which includes a fund set up to take care of all compensation claims, or if the supreme court should rule the CWA illegal, the county would be liable under the existing state workmen's compensation act. It was claimed that several thousand injury cases and several death cases are now pending, and if the county becomes liable under the state compensation act it would require great sums of money to meet these claims.

The National Underwriter Company is publishing a 150-page book called the **Proved Premium Producer** for accident and health insurance men. It contains selling talks, sales letters, helps in getting under way and meeting objections. Order on approval today. Price \$3. Write this magazine.

**The Bankers Indemnity has earned  
an enviable reputation for efficient  
service, careful management and  
financial strength.**



**BANKERS INDEMNITY  
INSURANCE COMPANY**

**Newark, New Jersey**

*One of the American Group*

## Casualty Company Activities

(CONTINUED FROM PAGE 32)

### Fidelity & Casualty Gives Actual Market Statement

Assets of \$33,798,362 are reported by the Fidelity & Casualty of the America Fore group. A contingency reserve is set up of \$2,902,615, which exactly equals the difference between convention and actual market values as of Dec. 31, 1933.

The assets include bonds and stocks of \$27,440,884, real estate \$238,241, premiums less than 90 days \$4,187,159, cash \$1,325,114.

Premium reserve amounts to \$10,500,391, claim reserve \$13,954,460, contingency reserve \$2,902,615, capital \$2,250,000 and net surplus \$2,002,603.

### Take Over Continental Auto

COLUMBUS, O., Jan. 24.—The Ohio insurance department has been directed by the court to take possession

of the Continental Automobile Mutual of Columbus and conduct its business. An agreement has been entered into, with the approval of the court, by which rehabilitation of the company will be attempted by the Lincoln Mutual Indemnity of Mansfield under the supervision of the insurance department. S. H. Glessner, secretary of the Lincoln Indemnity, has been appointed special deputy and the offices of the Continental will be moved in with those of the Lincoln at Mansfield. A reinsurance agreement may be effected later. The directors of the Continental are E. D. Myers, W. A. Walter, J. T. Nutting and J. N. Koerner. Walter will be retained but the other four will be replaced with men who are now directors of the Lincoln.

### Motor Vehicle Casualty Publishes Good Statement

The Motor Vehicle Casualty of Chicago, in its annual statement, shows an increase in surplus and in its cash account. Stocks are carried at market values and bonds at amortized values. The company experienced a satisfactory year, from the underwriting standpoint, the loss ratio being about 43 percent. There has been no default of interest or

principal on any investment. The investment in any single corporation or single mortgage does not exceed 2½ percent of the assets.

Total assets amount to \$626,876, including cash \$92,547, bonds \$303,184, stocks \$10,975, first mortgage loans \$34,000, real estate \$91,754, premiums less than 90 days \$85,018.

Premium reserve amounts to \$246,863, loss reserve \$61,500, contingency reserve \$12,000 and surplus to policyholders \$271,657.

### Sets Feb. 16 Claim Deadline

JERSEY CITY, Jan. 24.—R. L. Stevens and J. L. Ridley, New Jersey receivers for the Lloyds Insurance Co., Lloyds Casualty, Detroit Fidelity & Surety, Franklin Surety, Northeastern Surety, Constitution Indemnity and the General Indemnity, have announced that all claims against any of the companies must be in their offices here by Feb. 16.

### Recommends Receivership

The report of the master to the superior court of Cook county recommends receivership for the Northern Casualty Underwriters, a reciprocal of Chicago. A bill for receivership was filed more than a year ago, but the Northern Casualty Underwriters resisted and the question of solvency was referred to the master. He finds the surplus amounts to only \$2,000 whereas the statutes require a surplus of \$25,000.

### Headquarters in Atlanta

ATLANTA, Jan. 24.—The Lumbermen's Mutual Casualty has removed its headquarters for Georgia, Florida and Alabama to Atlanta. E. C. Hitt will have entire charge of this territory, including both the underwriting and claim departments.

### Time of Milwaukee

The Time of Milwaukee has issued its annual statement. Its securities are listed at market valuations and there is none in default as to principal and in-

terest. The company is in a highly liquid position. All the old officers were reelected headed by President C. G. Traphagen.

**Mass. Plate Glass**—Assets, \$344,924; inc. in assets, \$5,747; unearned prem., \$36,047; loss res., \$7,500; capital, \$200,000; surplus, \$74,767; inc. in surplus, \$4,072. Experience:

|                  | Premiums  | Losses    |
|------------------|-----------|-----------|
| Plate glass..... | \$ 58,041 | \$ 20,014 |

**Hardware Mutual Cas.**—Assets, \$5,346,186; inc. in assets, \$407,631; unearned prem., \$2,155,779; loss res., \$97,795; liab. res., \$1,497,372; comp. res., \$382,968; surplus, \$1,000,762; inc. in surplus, \$96,768; secur. fluc. res., \$100,000. Experience:

|                       | Premiums    | Losses      |
|-----------------------|-------------|-------------|
| Accident .....        | \$ 9,552    | \$ 5,682    |
| Auto liability.....   | 2,558,662   | 1,008,327   |
| Other liability.....  | 134,203     | 21,672      |
| Workmen's comp....    | 882,208     | 455,107     |
| Plate glass .....     | 131,870     | 47,450      |
| Burglary and theft..  | 77,435      | 17,382      |
| Auto prop. damage..   | 812,786     | 201,273     |
| Auto collision.....   | 193,400     | 75,982      |
| Other P. D. and coll. | 10,521      | 770         |
| Total .....           | \$4,810,637 | \$1,833,645 |

**Bldrs. & Mfrs. Mut. Cas.**—Assets, \$931,399; inc. in assets, \$50,371; unearned prem., \$288,055; loss res., \$4,434; liab. res., \$78,970; comp. res., \$165,971; surplus, \$354,211; inc. in surplus, \$2,857. Experience:

|                       | Premiums   | Losses     |
|-----------------------|------------|------------|
| Accident .....        | 752        | \$ 311     |
| Auto liability .....  | 281,532    | 67,398     |
| Other liability ..... | 33,024     | 5,805      |
| Workmen's comp....    | 355,071    | 316,340    |
| Plate glass .....     | 3,896      | .....      |
| Auto prop. damage..   | 120,760    | 5,635      |
| Auto collision.....   | 14,287     | 377        |
| Other P. D. and coll. | 4,161      | 79         |
| Auto fire and theft.. | 1,591      | 190        |
| Total .....           | \$ 815,074 | \$ 396,135 |

**Allied Mutual Auto. Assn., Iowa**—Assets, \$135,421; inc. in assets, \$11,109; loss res., \$35,721; surplus, \$91,385; inc. in surplus, \$3,585. Experience:

|                     | Premiums   | Losses    |
|---------------------|------------|-----------|
| Auto liability..... | \$ 82,671  | \$ 35,950 |
| Plate glass .....   | 219        | 94        |
| Auto prop. damage.. | 51,675     | 15,941    |
| Auto collision..... | 17,666     | 8,313     |
| Other auto.....     | 28,996     | 11,857    |
| Total .....         | \$ 181,228 | \$ 72,156 |



### Cash Registers Still Sing the Song of the Upturn!

In spite of the fact that the spirit of Santa Claus has been shelved for another year, there are ringing notes of optimism on the avenues of trade—the sound of cash registers, singing the song of the upturn.

For, people have maintained their buying mood—adequate proof that Christmas sales were no flash in the pan, but a pronounced indication of business revival.

As a result, store owners are smiling these days. They, too, are in a buying mood. And, to protect their Christmas profits, many of them are listening to the story of Storekeepers' General Liability Insurance—a coverage which most of them need, told by agents of Ohio Casualty, backed by a policy which affords complete protection.

Full details about this line and other lines written by this Company will be sent gladly, on request, to agents in unassigned territory.

★ ★ ★

## THE OHIO CASUALTY INSURANCE CO.

Home Office

Hamilton, Ohio

Full Coverage Automobile

Automobile Accident  
Burglary

Liability

Fidelity and Surety Bonds

Plate Glass

### Is Looking Over Boulder Dam

R. H. Towner in the West Investigating Progress of the Project for Surety Companies

NEW YORK, Jan. 24.—Surety underwriters are gratified with the progress attained thus far in the construction of Boulder Dam in Arizona and Nevada, the largest project of its kind ever undertaken, the prediction being that the work has been expedited to such degree as to insure its completion two years in advance of the original schedule. When the contract for the Boulder Dam project was awarded the Six Companies of San Francisco, the required performance bond of \$5,000,000 was written by 21 surety companies, each assuming a definite amount, ranging from \$50,000 to \$550,000. A rate of \$16.87 per \$1,000 of the contract price for the term was promulgated by the Towner Rating Bureau. Mr. Towner is now on the west coast and, it is understood, will spend some time surveying the progress of the dam's construction before returning to this city.

### Buffalo Surety Club Elects

F. E. Wheeler of Tiernon & Co., Buffalo, general agents of the Fireman's Fund Indemnity, has been elected president of the Buffalo Surety Club. A. C. Soeder of the Fidelity & Deposit, was elected secretary-treasurer. The weekly luncheons are now held Friday noon.

### Renew Few Depository Bonds

Despite Uncertainty Because of Federal Deposit Fund, a Few Contracts Are Being Made

Some of the very few depository bonds outstanding are beginning to come up for renewal and the underwriters are faced with the necessity of making a definite decision on how these bonds shall be written, if at all, in view of the existence of the Federal Deposit Insurance Fund. There has been no announcement from the fund or the treasury department as to whether private depository bonds, in conjunction with federal fund coverage, are to be considered as primary, excess or contributing coverage. The government has given no indication as to how salvages are to be handled as between the fund and private surety.

In states which do not have a state depository bond form, some of the companies, in renewing depository bonds, are getting from the obligee an assignment of all recoveries in the event of failure of the bank. That is, the bond is written without relation to the fact that a certain proportion of the deposit is guaranteed by the federal fund. Then in the event of failure of the bank, the recovery of the obligee from the federal fund, under the assignment, would be turned over in full to the private surety.

Other companies, when forced to renew an occasional bond, are doing so



without introducing any special provisions. They feel that, whatever agreement might be effected, the federal fund, in event of bank failure, would take the salvage up to the full amount of its guarantee before permitting the private surety to participate.

## Correct Colorado Situation

### New Law Relieves Surety From Loss Through Bank Failures on Treasurer's Bonds

DENVER, Jan. 24.—The distressing situation which resulted following the last Colorado election, when numerous newly chosen county treasurers were unable to obtain surety bonds required by law, and again during the recent bank holiday when the insurance companies quit writing this business, has been relieved by a new law. It provides that the county supervisors shall designate the depository in which the treasurer shall place the county funds and relieves both the supervisors and the county treasurer from all liability in the event of loss of funds through bank failures. The new statute in effect simply necessitates a fidelity bond for the county treasurer, in the opinion of H. F. Evans of the Cashman & Evans general agency, chairman of a committee which sponsored its enactment.

### A. H. Russell Made Manager

At the annual meetings of the American Surety and New York Casualty A. H. Russell, assistant manager of the court and probate department, was elected manager. He was born in Superior, Wis., was graduated from the State Normal School there, and taught mathematics, biology and civics in the local high school. He was graduated from New York University with the degree of LL. B. Mr. Russell entered the company's employ Oct. 1, 1925, and had held successively various positions in the metropolitan branch, the underwriting service division and the contract department prior to his transfer to the court and probate department in 1928.

### Big Construction Bond

Construction bond was filed this week by the Maxon Construction Company of Dayton, O., with the U. S. War Department covering the contract of \$1,344,429.18 for the construction of Lock No. 18, Mississippi river, near Burlington, Ia. The bond was executed co-surety by the following companies: Massachusetts Bonding, Fidelity & Casualty, Fidelity & Deposit, Continental Casualty, American Employers, Hartford Accident & Indemnity, Standard Surety & Casualty, Maryland Casualty and New Amsterdam Casualty. The Massachusetts Bonding was the originating company and the bond was written through J. M. Barkdull & Co., its general agents at Cincinnati.

### Secretary Barnes Dies

R. L. Barnes, 59, assistant secretary Michigan Mutual Liability, died after a week's illness at his home in Grosse Point Farms, a suburb of Detroit.

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Profitable volume group Health & Accident—Limited competition—Premium paid by employer. Care Y-16, The National Underwriter.

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Leading middle western general insurance organization can employ permanently the services of an experienced and successful casualty and fire insurance salesman. State in confidence age, experience and salary. Address Y-18, The National Underwriter.

## PERSONALS

John B. Murphy, metropolitan manager of the Seaboard Surety in New York City, died suddenly last week at his home. He was a veteran surety man in New York City, having gone there in 1902 after being connected with the London Guarantee & Accident in Canada. He went with the American Surety in 1905 and later became New York manager of the old United Surety of Baltimore. At one time he was manager of the Curry agency of New York City. He took his position with the Seaboard Surety in 1930.

Maj. J. B. Pirtle, 92, retired insurance man and Confederate veteran, died at his home at Glenview, east of Louisville. After the civil war he entered the insurance business in Louisville and became general agent of the Travelers for all of the territory south of the Mason and Dixon line. He retired about 25 years ago.

P. W. A. Fitzsimmons, president Michigan Mutual Liability, has an unusual hobby—meteors. He has a large collection of celestial acquisitions in his office and in his museum in his home.

V. H. Bartholomew, vice-president of the Standard Accident in charge of its Chicago branch, expects to leave with Mrs. Bartholomew next Saturday on a two weeks' sojourn in Miami, Fla.

W. G. Voegt, treasurer of the Associated Indemnity and Associated Fire & Marine, formerly with the National Bureau, is recovering from an emergency appendicitis operation in a San Francisco hospital.

R. H. Gore, whose resignation as governor of Puerto Rico has been announced, is now in Florida. Apparently, he is undecided as to whether he will resume active interest in the R. H. Gore Company, which operates newspapers in Deland, Fort Lauderdale, Daytona Beach, Fla., and conducts an extensive newspaper accident business, as well as a regular fire, life and casualty business in Chicago.

H. F. Brown of Chicago is in charge of the R. H. Gore Company. He has had many years of insurance experience, having started as general agent for several fire companies at Red Oak, Ia., about 40 years ago. Later, with his partner in the general agency, he started the Mutual Life Insurance Association of Iowa, an assessment concern, which was operated on sound principles and prospered after several initial difficulties. Then Mr. Brown withdrew from that company and went to New York with the Neptune Meter Company, remaining with that organization 24 years. About eight years ago, Mr. Gore induced Mr. Brown to enter the newspaper insurance field, selling the idea to circulation managers of newspapers. He was successful in this and soon became an important factor in the R. H. Gore Company, in which he purchased an interest.

The Gore Company has the Chicago city agency for the North American Accident of Chicago and also is general agent for that company in placing newspaper accident policies. The Gore Company is a Class 1 member of the Chicago Board and represents the Provident Mutual Life, E. F. Gore being in charge of the life department.

S. K. McClure, vice-president in the surety division, and W. J. Whiteside, assistant secretary of the Commercial Casualty and Metropolitan Casualty, are visiting several cities in the middle west, holding conferences with field men and other representatives of the company. Among the cities on their itinerary are Chicago, Milwaukee, Minneapolis and Des Moines.

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October 23, 1933

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San Antonio, Texas

Gentlemen.

A short time ago you delivered to me a check for \$39,000 to Mrs. Flossie D. Terrell, covering the two policies held by my brother, Dick O. Terrell, accidentally killed September 1, 1933.

Both his wife and I were under the impression that your policies provided for only \$26,500, entirely overlooking an additional \$12,500 provided under the accumulative provision.

I desire to thank you on behalf of his wife and myself not only for the check and the prompt and courteous handling, but further, that you called my attention to the policy provision for the additional \$12,500.

Yours very truly

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## Department Store Program Outlined

(CONTINUED FROM PAGE 33)

accident should be investigated on the assumption that the case will end in court, fundamental facts being obtained in systematic form.

Where this form of report is used, accidents can be classified and decision made whether to do nothing and let

the matter rest, whether to get a release in payment of a small sum of \$5 or \$10, where there is no serious injury but some degree of negligence and liability, where there is a definite injury and definite liability and where there is no real injury and no real negligence or liability. Accidents of the latter type should be resisted to the limit, if necessary carrying the case into court.

Mr. Kimball said that there is a considerable amount of negligence and

carelessness in beauty parlor accidents, where the customer suffers cuts, pin scratches, etc., or is hit by moving objects or suffers accidents in the restaurant. Accidents of these classifications account for about 50 percent of the total frequency but account for only about 30 percent of the total settlement. They generally involve some liability on the part of the store and the store should strive to reduce the carelessness and negligence.

Accidents on stairs, floors, elevators and escalators account for about 50 percent of the frequency but about 70 percent of the total settlement. This type of accident is far more subject to fake claims and is likely to cost the most money.

There is much loss because of the gap between the time of the accident and the time the insurance company's claim man gets to the case. Unless necessary facts for an adequate defense are obtained at the time of an accident, it is unlikely they ever will be obtained.

Mr. Kimball quoted figures of the combined experience of the 15 large department stores, showing in 1930, '31 and '32 there were 2,789 claims on account of cuts, bruises, scratches, pins, pin tickets, nails, etc. There were 1,515 accidents on stairs, 1,130 hit by moving objects, 953 on floors, 914 miscellaneous, 715 escalators, 475 beauty parlors, 294 elevators and 266 restaurants.

There was paid or reserved \$50,049 on account of stair accidents; \$36,922 floors; \$32,505 miscellaneous; \$29,361 hit by moving objects; \$12,374 escalators; \$11,992 cuts, bruises, scratches, etc.; \$11,978 beauty parlors; \$7,856 elevators, and \$3,690 restaurants.

## Many Barren Spots Found in the Field of Suretyship

(CONTINUED FROM PAGE 31)

companies in granting public official bonds will influence the 1934 revenue from this source, remains to be seen. If the recent decision of the Illinois supreme court holding sureties liable for public funds lost through the failure of designated depositories, be construed to invalidate the various laws relieving public officials of depository liability, amendatory legislation will doubtless be sought, else the public officials of that state and such others as may be inclined to follow the same reasoning will find extreme difficulty in getting adequate suretyship.

The volume of business from judicial bonds of the numerous types should continue, for, so long as business operates, there will be litigation, receivers will be named, guardians and trustees and the like appointed and bonds demanded in every case.

With the repeal of prohibition and the granting of licenses to sell liquor by municipalities in the vast majority of the states, has come a call for bonds required of licensees. The extent to which premiums from this class of risks will offset losses upon other lines remains to be seen, but there is little doubt that the new revenues will be considerable. This new source of revenue is welcome to surety companies, which operate under certain fixed charges that cannot well be reduced, and with a sloughing off in income such as has taken place in the past three years, expense ratios have been forced upward.

Some idea of the premiums that may be expected by surety offices from their liquor bond writing may be ascertained from the fact that since the launching of the Excise Bond Underwriters of this city some months ago, its premium income has been approximately \$900,000. The association operates only in New York. While the suggestion has been advanced that its activities be extended to additional fields, and possibly throughout the country, it is wholly unlikely that such will be done, for such a proposition would arouse a storm of protest from local agents.

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